

هكذا صدق القليل

# FINANCIAL TIMES

Latin American debtors try to take the initiative, Page 18

EUROPE'S BUSINESS NEWSPAPER

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Austria	Sch 18	Indonesia	Rp 7500	Paraguay	Gu 75
Belgium	Dfr 200	Italy	Lira 1100	S. Arabia	Rh 100
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## NEWS SUMMARY

### GENERAL

#### UK coal strike 'threatens crisis'

British union leader Terry Duffy warned that miners' dispute could develop into worst national crisis since 1974, when a miners' strike precipitated a general election.

Most National Union of Mine-workers leaders intend to continue with their present strategy of area strikes in the dispute, now in its sixth week, and are reluctant to press for national ballot on strike action at special delegate conference to be held on Thursday, Page 20

### BUSINESS

#### France expects heavier deficit

FRANCE has revised its forecast trade deficit for this year from the target of FF 7bn (\$850m) to between FF 20bn and FF 25bn because of the strength of the dollar.

Last year's deficit was FF 42.25bn. LONDON: FT Industrial Ordinary index fell 20 points because of the coal strikes, and government securities dropped by nearly half a per cent. Report, Page 41. FT Share Information Service, Pages 42, 43

WALL STREET: Dow Jones Industrial Average was up 2.09 at 3pm, on 1,152.22. Report, Page 37. Full share prices, Pages 38-40

DOLLAR advanced to DM 2.6375 (from DM 2.6225), to Ffr 8.1175 (Ffr 8.07). SwFr 2.1865 (SwFr 2.1735) and Y225.4 (Y224.45). Its Bank of England trade-weighted index rose from 127.3 to 127.6. Page 47

STERLING fell 90 points to \$1.421, to DM 3.75 (DM 3.7525). Ffr 11.535 (Ffr 11.54) and Y225.5 (Y225.1), and was unchanged at SwFr 3.11. Its trade weighting was down from Friday's 79.9 to 79.8. Page 47

#### President for trial

Ousted Nigerian President Sbehu Sbagari will be tried by a military tribunal, said Brigadier Paul Omu head of the regim's main legal panel. No charges were indicated.

#### Sri Lankan bombing

A parcel bomb killed four members of a Sinhalese family in their home in Sri Lanka's capital, Colombo.

#### Student flees Kabul

An East German woman student on a Kabul University course who escaped to Pakistan has been flown to Frankfurt.

#### Philippines deaths

At least 18 communist rebels and five soldiers were killed in a battle at a river ferry in the Philippines island of Mindanao.

#### Rebels 'kill 290'

Angolan rebels said they had killed 250 Government troops and 40 Cubans in six northern and central provinces between April 4 and 14.

#### Gangster held

French police said they had arrested Naples gangster Michel Zaza, who escaped from a Rome clinic after being jailed in December.

#### Amritsar killings

Internal dissension within the Sikh leadership is believed to have led to the decapitation in Amritsar of a man, suspected of killing an extremist, and of a woman. Page 4

#### Moscow plays it cool

The Soviet Union said that it would not decide whether to send a team to the Los Angeles Olympic Games until late May, and that the decision would depend on the behaviour of the U.S. authorities. Page 3

#### New York massacre

New York police were investigating the killings of seven children and three women in a Brooklyn house.

#### Swapo denial

Swapo, the Namibian independence group, denied responsibility for the bomb which killed two U.S. diplomats in the north of the country on Sunday. Page 4

#### British spy jailed

British secret service officer Michael Bettaney, 34, was found guilty in London on ten charges involving offering to spy for the Soviet Union, and was jailed for 33 years.

#### De Lorean trial

Failed car maker John De Lorean goes on trial in Los Angeles tomorrow for trying to buy cocaine worth \$20m. Page 5

#### Briefly...

Sen Patrick Moynihan has resigned only as vice-chairman of the Senate Intelligence Committee, not from the committee itself as incorrectly reported yesterday.

## Banker 'strangled' after cautioning on Carrian loan

THE high court in Hong Kong was told yesterday that a Malaysian banker was strangled in a hotel bedroom after urging caution over a loan to the now-defunct Carrian group. His body was alleged to have been taken out of the hotel in a large suitcase and dumped in a banana grove.

Yesterday saw the beginning of the public hearings of a trial which has already taken up three weeks of legal arguments in camera and has aroused enormous speculation in Hong Kong about the affairs of the former Carrian empire and its former chairman, Mr George Tan.

The group and Mr Tan have massive debts, including an estimated U.S. \$500m - mostly unsecured - to Bank Bumiputra Malaysia Finance,

a wholly-owned subsidiary of the Malaysian Bank.

Mr Tan and his chief lieutenant, Mr Bentley Ho, are due to stand trial in September on fraud charges.

The London-born lawyer who handled many of their property deals during the boom years, Mr John Wimbush, was found dead at the bottom of his swimming pool last Friday with a concrete manhole cover tied around his neck.

Mr Wimbush died only hours after returning early from leave in Britain so that he could help police with Carrian inquiries yesterday.

The trial that began yesterday before a jury of seven Chinese included the murder of the assistant general manager of Bank Bumiputra Finance, Jalil Ibrahim. In

George Tan and Mr Bentley Ho to have the trial held in secret was rejected by the appeal court.

In an opening statement the deputy crown prosecutor, Mr Anthony Duckett, said that Mr Jalil had gone to Hong Kong as part of an internal audit team, and in March last year was appointed one of two assistant general managers. Mr Duckett said it was especially significant that Mr Jalil was concerned with loans, which had to be approved by a supervisory committee in Malaysia.

The court was told by the prosecution that on the day Mr Jalil returned to work after leave last July 18, he was told by the other assistant general manager, Mr Henry Chin, that a \$4m loan had to be approved for companies associated

with Carrian and Mr George Tan. He prosecution maintained that authorisation of that loan would have been vital to ensure the salvage of the Carrian empire.

However, the prosecution said, that same morning Mr Jalil was summoned to a luxury hotel in Hong Kong to cash \$5,000 worth of travellers' cheques for someone purporting to be a prominent Malaysian businessman.

The prosecution maintained that when he arrived at the hotel Mr Jalil was met by the accused and then spent several hours in his hotel room.

At some stage, the accused - Mak Foon Tan - went to a nearby shop

## S. African peace pact a setback, Kaunda declares

By Michael Holman in Lusaka

THE NON-AGGRESSION pact signed by Mozambique and South Africa in March had "profound" and "adverse" consequences for the region which would be discussed at a summit of black front-line states in Tanzania later this month, President Kenneth Kaunda of Zambia said yesterday.

In a wide-ranging interview with the Financial Times, the President described the pact as "a setback for all of us". He repeated his willingness to host a meeting between front-line leaders and Mr P. W. Botha, South Africa's Prime Minister, and he accused the West of moving away from its commitment to the UN independence plan for Namibia (South West Africa).

During his 20 years in office, the President has played a key role in the resolution of conflicts in Angola, Mozambique and Zimbabwe. But he presented a bleak assessment of the front-line states' capacity to bring about reform in South Africa.

The strength of Pretoria, supported by Western investors and Western governments, was overwhelming, he said. "There is no country in Africa today that can stand up to these forces."

Dr Kaunda's evaluation of the pact is likely to anger President Samora Machel of Mozambique who has presented the agreement as a "victory" and attended the televised signing ceremony with his South African counterpart.

Dr Kaunda stressed that he fully understood the military and economic factors which brought Mozambique to the conference table. He supported President Machel in his decision, he said, but went on: "We would be less than honest if we tried to glorify the situation. It is not glorious. We accept we are weak... if we glorify this [pact] we will be making a tactical error."

The adverse implications of the pact for southern Africa were profound, he said, and he cited the nine-member Southern Africa Development Co-ordination Conference (SADCC) launched in 1980 with the objectives of reducing trade and transport links with South Africa.

"At SADCC summits we have consistently condemned apartheid. How are we going to do that without condemning Mozambique when we meet next? It is a real problem."

Continued on Page 20

## Bonn 'set for 3% growth and surge in exports'

WEST GERMANY is set to double its current account surplus to DM 20bn (\$7.6bn) this year, the largest for 10 years, according to a forecast published yesterday by the country's five leading economic research institutes.

In an outlook markedly more optimistic than any so far issued by the Bonn Government, the five institutes see broadly-based real economic growth of 3 per cent in 1984 (against 1.3 per cent in 1983), without any heating up of inflation over last year's average of 3 per cent.

The "result should be some 200,000 fewer jobless by the end of the year, or average unemployment of 2.15m in 1984 against last year's 2.26m.

The institutes see the West German economic upturn, which started gathering pace at the end of 1982, as "self-sustaining" thanks to a mixture of climbing private consumption, significantly improved business investment and, above all, expanding world trade.

Despite a cooling economic tempo in the U.S. and a belief that the D-Mark will gain against the U.S. dollar, the institutes expect West German exports to climb in real terms by 8.5 per cent in 1984.

Last year, West Germany booked a surplus on current account of DM 10.1bn and the Economics Ministry

## Craxi to amend decree on wages

BY JAMES BUCHAN IN BONN

SIG Bettino Craxi's Italian Government last night easily won a parliamentary vote of confidence linked to its decree cutting the *scala mobile* wage indexation system this year.

But the victory in the Chamber of Deputies, where the Government had a majority of 124, was largely symbolic. The decree itself expired at midnight because it had not received approval within the necessary 60 days, thanks to highly obstructive opposition by the Communist Party.

Sig Craxi called a cabinet meeting for last night which was expected to re-issue the decree including some amendments designed to obtain a more acquiescent approach to the measure by the Communists in the 60-day period. The inner cabinet met to consider the meeting last night.

The decree, which has been in force since mid-February, puts by three the number of percentage points on the *scala mobile* index which will be translated into quarterly wage increases this year.

The move, with a ceiling on government-controlled prices, is aimed at getting inflation down to an average of 10 per cent this year, compared with last year's average of 15 per cent.

The issuing of the decree followed the refusal of the CGIL union, which has a Communist majority, to accept a voluntary agreement reducing indexation. The

## Ford UK will build gearbox for all Europe

BY JOHN GRIFFITHS IN LONDON

FORD is to invest (£83m) at one of its British motor plants to produce a new car gearbox, for all the company's European car assembly factories.

Halewood near Liverpool, will be the sole source for the lightweight, five-speed gearbox, which will be available from mid-1987 for cars of 1.8 to 3 litre engine capacity. Output of 300,000 units a year is planned.

The investment is the second to be announced at Halewood within a month, the other was for an £11m plastic moulding plant.

Both moves underline the major improvements in industrial relations and productivity which have taken place at a plant which early last year still had the reputation of being Ford's European "black sheep".

Mr John McNally, a trades union leader at Halewood, said: "Everyone at the factory is delighted, and it proves that hard work and co-operation from all sides pays dividends."

Such co-operation appears to have had a significant effect since March 1983 - when Halewood was into its ninth industrial dispute of that year. In 1982, its 9,700 workers produced an average 720 cars a day, against capacity of 1,015 and compared with 1,232 per day of the same cars produced by 7,300 workers at Ford's Saarlouis plant in West Germany.

Since then, there have been no significant disputes: car output is averaging well over 900 a day.

Tenders issued for Egyptian small car, Page 6

## Montedison plans convertible issue to restructure capital

BY ALAN FRIEDMAN IN MILAN

MONTEDISON, the giant Italian chemicals group, yesterday announced a big capital-raising bond issue which it will use to restructure debt maturities. The Milan-based group, which in 1982 lost L560bn (\$320m), is to ask shareholders in June to approve the issue of L142.3bn in bonds convertible into Montedison shares.

At the same time, Montedison is reorganising its share structure, asking shareholders to exchange their L175 par value shares for L1,000 par value equity. For every 40 shares held, investors will be asked to accept seven new ones. The aim is to reduce the group's administrative costs.

One senior Montedison executive explained: "It is time for us to streamline the shares. With 5.7bn shares it has been said that there are more Montedison shares than there are Chinese people."

The bond issue, which is likely to be lead-managed by Mediobanca, will be offered in two equal tranches. Shareholders will be entitled to one bond for every 14 shares

they hold. The maturity of the first L71.2bn tranche is expected to be for six to seven years, with conversion into equity possible after 12 to 18 months and a fixed rate of interest which in today's market would be around 14 per cent.

Montedison has been working steadily for three years to restructure its capital and to reduce its huge indebtedness. At present the group's total debt is about L3,000bn, down about L200bn over the past year, but still representing about 2.8 times its shareholders funds (equity and reserves). Shareholders equity amounts to L950bn, while reserves total a further L500bn.

Since Sig Mario Schimberni took over as president in 1981 the group has been engaged in a financial restructuring which began in earnest in late 1981 with a partially successful L640bn rights issue. Much of the issue was left in the hands of underwriters.

In September 1982, the group's Selm electrical subsidiary sold L200bn of bonds and L40bn of shares. Last June, the Erbanoet

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## EUROPEAN NEWS

## Strikes send postal service into disarray

By Paul Bettis in Paris

LETTERS IN France have been going astray by the millions since the beginning of the year as a result of a prolonged labour dispute over the Government's attempts to reorganise postal distribution.

M. Louis Mezard, the minister responsible for post and telecommunications (PTT), acknowledged yesterday that the strikes had delayed as many as 25m letters since the beginning of the year.

The dispute reached a peak at the weekend when M. Mezard ordered two squadrons of gendarmes to move to the railway station post office at Caen, the capital of Normandy and his parliamentary constituency.

An important mail distribution centre in Caen had been paralysed by a strike for a week. Some 15,000-20,000 mail bags had piled up causing severe disruption.

The decision to send in the gendarmes to retrieve and distribute the mail provoked the predictable anger of the trade unions. However, M. Mezard sought to appease PTT workers yesterday by agreeing to negotiations on the reform.

This reform has been at the root of the general disarray of the mail service for the past 12 months. For two months last autumn, services were severely disrupted by a series of strikes. Then, as now, postal workers were opposing Government plans to redeploy some 12,000 employees in mail distribution to other centres or other jobs in an attempt to improve efficiency.

The PTT authority wants to speed up mail delivery by automation and reorganising shifts at distribution and sorting centres. This has inevitably entailed the need to reduce jobs at certain postal centres.

Only 65.8 per cent of mail in France is delivered the day after posting. The official but somewhat ambitious target is for 82 per cent by the end of this year.

## Mitterrand to decide today on showdown with Communists

BY DAVID HOUSEGO IN PARIS

THE FRENCH President, M. Francois Mitterrand is expected to decide today on how to force the Communists to reaffirm their loyalty to the coalition or to accept the blame for the break-up of the left-wing government.

He is likely to make his views known during his weekly breakfast meeting with M. Pierre Mauroy, the Prime Minister, and M. Lionel Jospin, the leader of the Socialist party. But there may be no immediate public announcement.

The decision to seek a trial of strength follows the Government's growing exasperation with what M. Mauroy called on Sunday the Communist party's "systematic calling into question" of government policies. The Government would be seeking "clarification".

It was suggested last night that this could come in three forms: a summit meeting between the two parties; a motion of confidence in the National Assembly based on the restatement of the Government's political objectives; or cabinet changes which would give M. Mitterrand the opportunity of redefining the terms

of the Communists' participation. All the signs are that the Socialist leadership would like to keep the Communists in the coalition, but as a minority, subservient partner. The Communists' dilemma is that, though they would like to continue to enjoy the advantages of power, the only way they see of recovering their electoral popularity is by attacking the government's unpopular austerity and industrial restructuring measures.

The first reaction from the Communist hierarchy came last night from M. Marcel Rigout, a junior minister. He said that the Communists had no wish for a break and wanted to remain "in spite of the difficulties and the differences".

The confrontation, coming with the Communist's following several weeks of ineffectual warnings by both M. Mitterrand and M. Mauroy to the Communists to "tow the line", the Socialists have been particularly annoyed by the surprise decision of M. Georges Marchais, the Communist leader, to join in Friday's protest by steelworkers at the recent revision of the Government's steel plan.

The decision to send in the gendarmes to retrieve and distribute the mail provoked the predictable anger of the trade unions. However, M. Mezard sought to appease PTT workers yesterday by agreeing to negotiations on the reform.

## Nato to table plan for troop reduction

By Bridget Bloom, Defence Correspondent

PROPOSALS designed to move forward the 10-year-old East-West talks on reducing conventional forces in Europe are to be tabled by Nato governments in Vienna today.

The proposals, the subject of intensive discussion in the alliance over the past few weeks, are intended to ease the central disagreement between the Warsaw Pact and Nato on the present level of forces in Europe.

The issue has stymied the Vienna talks for much of the past decade, and Nato officials last night were privately sceptical that the new proposals would break the deadlock.

However, Nato has not tabled proposals since 1982, while a Soviet draft treaty last year showed some movement on the other side, but the need to verify troop removals.

Following the breakdown of the Geneva European missile talks last November, West Germany and the U.S. in particular have been anxious to get some movement in Vienna, although other countries, including Britain have argued for caution.

The new Western plan seeks to provide the Soviet Union with a way through the so-called data problem.

While both sides have long agreed that the forces of each side should be reduced to 700,000 (or 800,000 with air forces) they disagree on the starting point. Nato claims that the Soviet Union has some 160,000 more troops in central Europe than it admits and has insisted that overall totals must be mutually agreed before any reductions can be begun.

The proposals appear to be an attempt to find different ways to count starting numbers. Instead of hard and fast totals, the West would seek an understanding on a range of figures for each side's forces. It would also offer to count units, differentiating, for example, between combat and combat support units.

This does not go as far as Bonn wanted in abandoning the need for starting numbers altogether. In return, for very rigorous verification of reductions. However, verification remains a key feature of the new plan—as it does of proposals on banning chemical weapons to be submitted to the Geneva conference on disarmament tomorrow by Mr. George Bush, the U.S. Vice President.

The U.S. intention to table a draft treaty were first announced by Mr. George Shultz, the Secretary of State, last January.

According to reports from Geneva, the treaty will propose rapid on-site investigation of suspected infringements by a permanent international consultative committee, as well as permanent on-site inspection of chemical weapons stocks.

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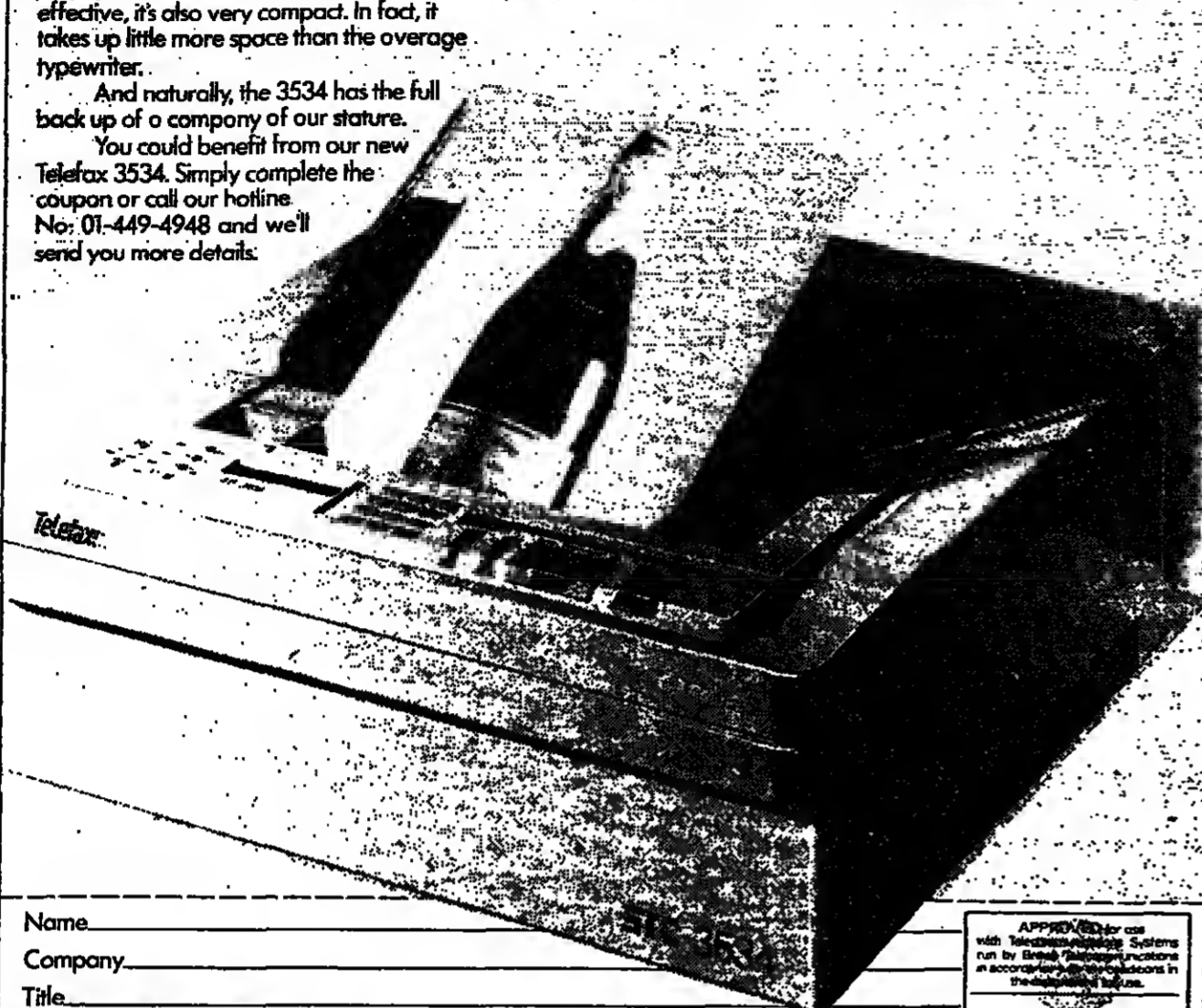
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## Europe's unions launch June election manifesto

BY IVÓ DAWNAY IN BRUSSELS

THE EUROPEAN Trades Union Confederation yesterday launched its manifesto for the June EEC Parliamentary elections with an appeal to unionists to ensure they vote for candidates committed to an active programme of job creation.

M. Georges Debunne, the ETUC president, presented the manifesto with a special appeal for union members to take an active part in the campaign.

In what is certain to be read as a direct appeal to the British Labour movement, M. Debunne emphasised that the ETUC programme has the backing of all its member confederations including Britain's TUC, which remains technically committed to withdrawal from the EEC.

Under the slogan A Europe of Working People, the manifesto calls for increased public and private sector investment;

● Significant cuts in working time down to the ETUC's target of a 35-hour week for all;

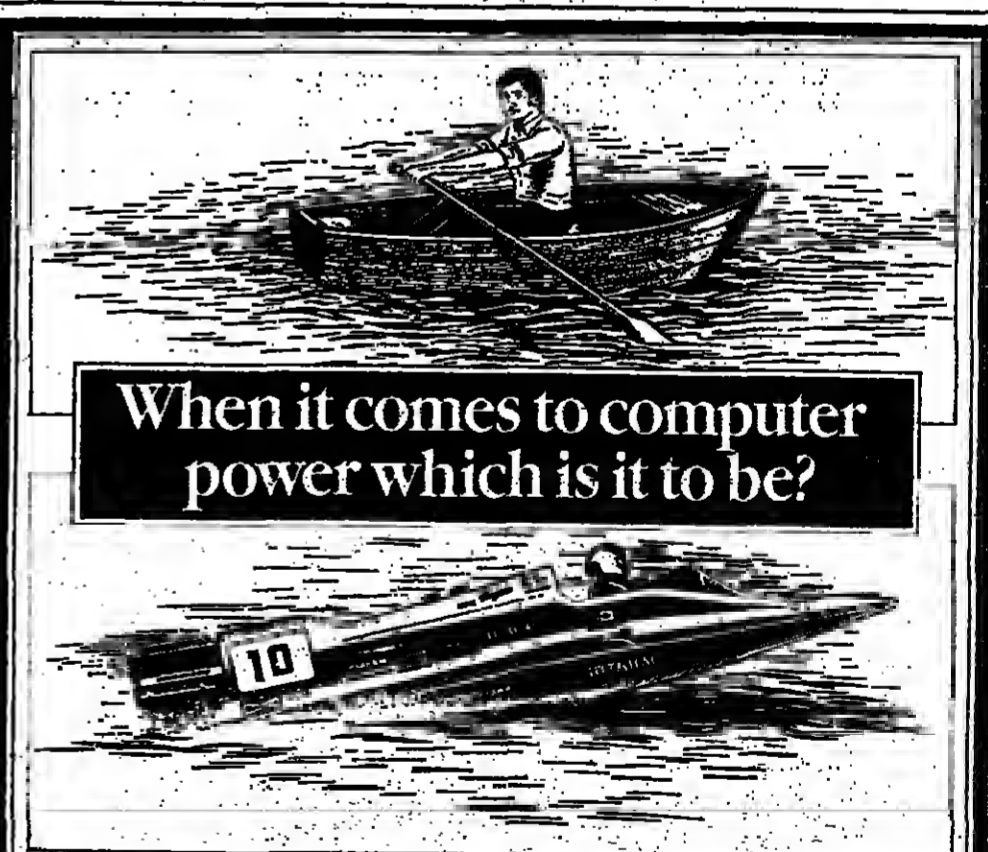
● The use of new technologies to improve working conditions and the organisation of work;

● Social policies guaranteeing a maintenance of purchasing power and social security;

● Active co-operation with the developing world within a general development plan;

● Abolition of bureaucratic border constraints to ensure freedom of movement within the Community.

The manifesto also puts heavy emphasis on further democratisation of Community institutions.



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# EUROPEAN NEWS

## E. Germany, Hungary defend links with West

By Leslie Collett in Berlin

HUNGARY AND East Germany, which follow diverging political and economic policies at home, have discovered a common interest in defence of their growing special relationship with the West.

Both countries, along with Romania, came under attack recently from Czechoslovakia which took them to task for undermining the "unified foreign policy strategy" of the Warsaw Pact.

The main East German Communist newspaper, Neues Deutschland, has reprinted a response to the charges from a secretary of the Hungarian central committee, Mr Matyas Szűrös. The reprinting in East Germany signalled East Berlin's support for Budapest's views.

The Czechoslovak party newspaper, Rude Pravo, has warned that Prague learned in 1968-69, after the Soviet-led invasion of the country, that "collective thinking was more useful than separatism."

While Rude Pravo did not name countries, there was little doubt about which ones it was referring to when it criticised any "independent foreign policy forces" and any country gaining one-sided advantages from the "capitalist world and its financial or other institutions."

Mr Szűrös noted that Hungary supported the Warsaw Pact's joint initiatives in order to "realise the national interests of our people." He said Hungary's active foreign policy had earned it a reputation as a "reliable ally and friend and a correct partner."

Czechoslovak and Polish diplomats privately expressed concern over the high-level contacts between East and West German politicians and increasing economic ties between the two Germans. There is a lingering fear that Moscow is permitting the Germans to get too close to each other.

Hungary, on the other hand, has praised East Germany for breaking out of its political shell.

## Fresh assault on Polish companies' freedom prepared

BY CHRISTOPHER SOBINSKI IN WARSAW

GOVERNMENT MINISTRIES are planning to remove the minimum of independence still enjoyed by Polish enterprises under the economic reforms, Zycie Gospodarcze, the economic weekly, has claimed.

The newspaper, which speaks for the reformers in the Government, reveals that the Ministry of Metallurgy and Engineering has drafted a document arguing for a reorganisation of enterprises into centralised "combinations."

The Ministry forms part of the heavy industry lobby which has top-level backing. Zycie Gospodarcze says the move, if implemented, would mean the removal of decision-making powers from 185 companies and open the way for more to lose their powers.

Concern for greater influence by the state over the economy is no more than a smokescreen, the newspaper writes. "In essence the aim is to rebuild old structures and return to old, bureaucratic methods."

As the economy weakens, pressure is growing for greater centralisation but the ministerial project is the furthest that conservatives have gone in officially pushing their views.

The idea was given conditional approval at an important Communist party conference last month by Mr Zbigniew Messner, the Deputy Premier in charge of the economy, when he said: "No hasty steps should be taken, but the matter is being studied."

Companies enjoy a greater measure of freedom than before 1980 although this is still circumscribed by regulations and widespread rationing. One of the reasons for the greater freedom is that reforming legislation in 1981 abolished the company unions which served to pass on ministerial instructions, allocate resources and manage personnel.

One of the government documents arguing for the changes, according to Zycie Gospodarcze, "organisational changes introduced by the reforms have to a significant extent limited the influence by central government over enterprises."

## Soviets put off decision on Summer Olympics

By Anthony Robinson in London

THE SOVIET UNION intends to keep the sporting world guessing until the last possible moment about whether it will take part in the 1984 Summer Olympic Games in Los Angeles.

This became clear yesterday at a Moscow news conference when Mr Marat Gramov, chairman of the Soviet Olympics committee, told journalists that a final decision would not be taken until the end of May, only days from the final notification deadline of June 2.

Mr Gramov said the Soviet team would participate only if the committee was satisfied that the U.S. intended to observe the Olympic charter and create what he called "normal conditions" for Soviet participation.

The Soviet Union was deeply offended by the U.S. decision to boycott the Moscow Olympics in 1980 in protest against the invasion of Afghanistan. It opposed the choice of Los Angeles for the 1984 Olympics and has run a bitter media campaign against the "gross commercialisation" of the Olympic ethos by the U.S. organisers.

The Soviet authorities appear genuinely concerned about the possibility of anti-Soviet demonstrations during the Olympics which could receive world-wide coverage. Mr Gramov said they were seeking a guarantee from the Reagan Administration that it will prevent any hostile demonstrations.

The U.S. line is that such a guarantee is impossible to give in a free society and that while the Government does not condone protest groups it has no control over them.

The Government, meanwhile, has been acknowledging increasingly the crisis nature of the situation in which the country finds itself. Mr Rudd Labbers, the Christian Democrat Premier, spoke at the weekend of his fears that the "yes" decision he seeks may prove unattainable.

## Dutch dig in for fight over deployment of cruise

BY WALTER ELIS IN AMSTERDAM

AS DECISION time nears in the Netherlands on the deployment of U.S. cruise missiles, both sides in the argument are digging in for a struggle. Protestors are preparing to foil any attempt to make ready a launching site, and the Government is considering advancing its decision on the weapons from June to early May.

Yesterday, the local council of Woensdrecht, a district of north Brabant only 7 km from the Belgian front which has been chosen as the site for the missiles, began making serious preparations for its widely anticipated "long, hot summer."

The council opposes deployment, or at least Woensdrecht's becoming a Soviet target. The councillors do not wish their area to become a second Greenham Common. They have called on intending demonstrators to register their intentions.

The site, a disused air-base, has not so far become much of a focus for the anti-cruise lobby. Amsterdam and the Hague are protestors' favourite rallying points. Only now has this begun to change, and a sharp increase in the troops guarding the site was followed swiftly by a clash with demonstrators.

The Government, meanwhile, has been acknowledging increasingly the crisis nature of the situation in which the country finds itself. Mr Rudd Labbers, the Christian Democrat Premier, spoke at the weekend of his fears that the "yes" decision he seeks may prove unattainable.

New Issue

April 10, 1984

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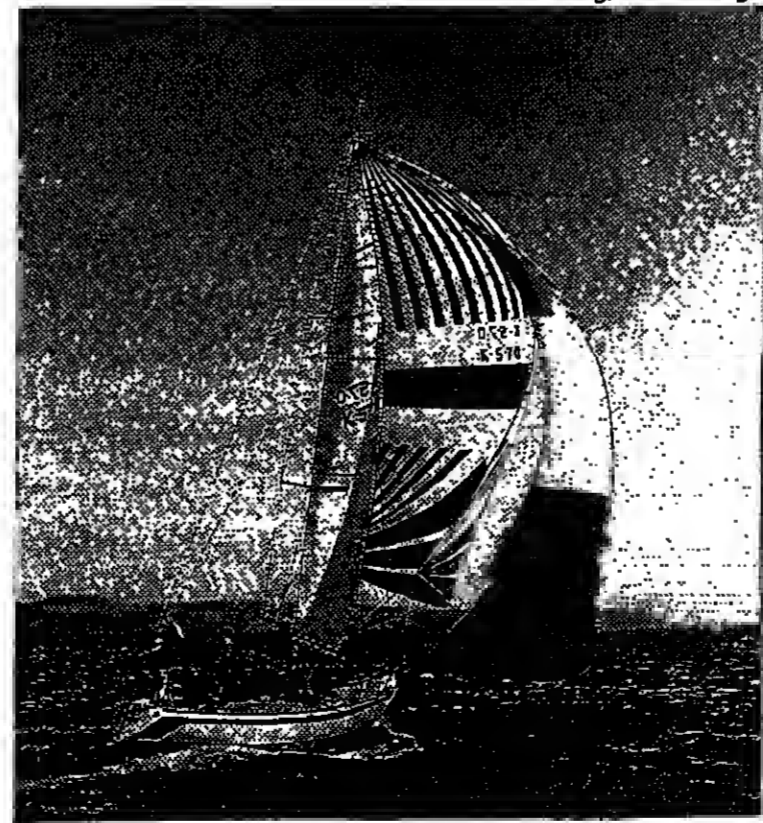
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### Fact 6

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### Fact 7

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OVERSEAS NEWS

# Two Sikh leaders murdered as temple violence continues

BY K. K. SHARMA IN NEW DELHI

INTERNAL DISSENSIONS within the Sikh leadership concentrated in the Golden Temple in the holy city of Amritsar yesterday led to the killing of two prominent Sikh leaders in the vicinity of their stronghold.

One leader, Mr Malik Singh Bhatia, was shot dead inside the temple itself. His death was followed by the killing of another leader in a tea shop just outside.

The development suggests that the extremist and moderate factions are now engaged in a deadly confrontation which could affect the course of the two-year-old Sikh campaign for more political and religious autonomy.

The killings follow the murder just outside the temple of an unnamed lieutenant of the extremist leader, Mr Jarnail Singh Bhindranwale, who is a wanted man confined to the temple and is widely suspected to be behind the recent violence.

The murder of Mr Singh's supporter was followed by the killing of his two suspected murderers, the headless body of one of whom was found near the Golden Temple yesterday. The macabre turn that events in the Sikh movement have taken are being watched closely in New Delhi since they are bound to influence the Sikh leadership and, at least in the short term, may lead to more violence.

The arson in Punjab railway stations over the weekend led to severe criticism of the government by Opposition leaders when the Lok Sabha (parliament) met yesterday. But a full discussion on the Punjab situation was not allowed.

However, it was officially announced in Chandigarh, capital of Punjab, yesterday that a crack-down had been ordered on members of the banned All India Sikh Students' Federation and at least 150 activists had been arrested by the evening.

It was also announced that measures had been taken to protect railway property. At least eight armed security men are to travel with each train in Punjab and railway protection forces in the state are to be strengthened.

Patrolling of rail tracks is also being intensified but Mr P. C. Sethi, the Home Minister, announced yesterday that the Government stood by its decision not to use force to enter the Golden Temple in deference to Sikh sentiment. The Sikh leaders, many of whom are wanted by the police, are taking shelter in the temple and there have been persistent demands for the use of force to arrest them.



Sir Geoffrey Howe (second right), the British Foreign Secretary, sits opposite his Chinese counterpart, Wn Xueqian. Their negotiation in Peking yesterday concerned Hong Kong, the colony on most of which the UK holds a lease from China until 1997. A Chinese spokesman said later that the talks were "warm, friendly and earnest."

# Swapo denies killing diplomats

BY OUR JOHANNESBURG CORRESPONDENT

SWAPO HAS denied responsibility for the bomb blast which killed two U.S. diplomats in northern Namibia on Sunday afternoon. A spokesman for Swapo in Lusaka blamed South Africa for the incident saying: "Swapo does not fight people who are not our enemies."

He added that the bombing was a calculated move by South Africa to delay the withdrawal of its troops from southern Angola.

An earlier statement by the administrator-general of South West Africa, Dr Willie van Niekerk, blaming the blast on Swapo was unsubstantiated, the Swapo spokesman said. However, Dr Niekerk says that he has no doubt that Swapo was responsible for the blast.

Police in northern Namibia remains uncertain whether the Americans were chance victims of a terrorist attack or whether the blast had been planned to kill them. The police yesterday continued to sift the wreckage of the petrol filling station at Okatana, an industrial suburb of the town of Oshakati, to determine the precise details of Sunday's blast.

Initial speculation was that the explosion was caused by a limpet mine attached to the diplomat's car somewhere else. Alternatively it was thought that the bomb could have been tossed into the car at the filling station where the Americans had stopped to buy petrol.

However, the attorney general's office in Windhoek pointed out that other petrol stations had been bombed previously in the area and that the Americans may well have been chance victims of the blast. Also killed in the explosion were a pump attendant whose name is not known at present and a truck driver, Mr Thomas Namjombonde. Four passengers in Mr Namjombonde's truck were injured by the blast.

The two Americans were Mr Dennis Keogh, a career diplomat and Lt-Col Ken Crabtree, a military adviser. Mr Keogh was on temporary assignment from Washington to head the U.S. liaison office in Windhoek which is covering the South African-Angolan military disengagement in southern Angola. Mr Crabtree, who was a career officer, was a military adviser on Mr Keogh's staff.

The men had travelled to Oshakati to be briefed by the South African military on the most recent activities of the joint monitoring commission which is overseeing the disengagement of South Africa.

The bodies of the Americans were flown from Oshakati to Waterkloof Air Force base near Pretoria yesterday afternoon, prior to being flown to the U.S. for burial. At Waterkloof, the U.S. ambassador to South Africa, Mr Herman Nickel, described the deaths as tragic.

# Malaysian Central Bank tightens loan rules

BY DAVID LENNON IN TEL AVIV

MALAYSIA'S Central Bank has tightened loan regulations. Mr Asis Raha, bank governor, said yesterday but denied that it was the result of loans made to Hong Kong's Carriem and other business groups. AP-DJ reports from Kuala Lumpur that he said in an interview with the Malaysian Business Monthly that the tightened regulations included the reporting to the bank of all loans of more than 1m ringgits (about \$311,400) made by branches of Malaysian banks overseas.

# Israeli loss of faith gives election chance to opposition

BY DAVID LENNON IN TEL AVIV

ISRAELI is for a long hot summer of political rhetoric as the opposition Labour Party tries to unseat the Ruling Likud bloc at the July 28 general election. The Government's popularity is at a low ebb because of its handling of the Lebanon war and the shaky state of the economy and Labour is enjoying a comfortable lead in the opinion polls.

Unlike the 1981 election when the personality of Mr Menachem Begin, then Prime Minister, dominated the political scene, this time the campaign is likely to be fought over issues rather than personalities. After seven years in office, the right-wing religious coalition has a bedraggled look.

The 1982 invasion of Lebanon has proved a fiasco in domestic political terms, having split the nation and undermined public faith in the Government's ability to take sensible decisions.

Most of its broad aims have proved unattainable. Even the narrow goal of securing the north of Israel against guerrilla attacks from Lebanon is proving hard to achieve without maintaining a sizeable Israeli military force over the border.

Recent terrorist attacks in Jerusalem have undermined the face that emanates the Palestinian Liberation Organisation (PLO) in Lebanon has not destroyed its capacity to carry out raids against Israel.

The Government's handling of the economy during the past seven years has also led to dissatisfaction. The country today has record inflation of some 400 per cent, the current account deficit is a record \$5.1bn and the gross foreign debt has more than doubled to \$25bn (£14.5bn).

To rectify this situation, Mr Yigal Cohen-Orgad, the Finance Minister, has had to introduce austerity measures which, while economically essential, are hardly likely to prove vote catchers. He may be forced to ease back on some of them to woo the electorate.

The Labour Party is striving to return to power, which it lost in 1977 after 29 uninterrupted years in office. It will hammer away at the Government's failures: not only in Lebanon and in the economy, but also the divisiveness which the Likud has fostered within Israeli society.

While the Likud can offer only a partial solution, Labour will promise a rapid withdrawal from Lebanon, a new economic policy aimed at restoring growth through investment in export industries, and will also offer to concede parts of the occupied West Bank in exchange for a peace treaty with Jordan.

It is over the West Bank that the greatest policy differences exist between the two largest parties. Likud will never cede any part of this territory, which it considers part of the Biblical land of Israel.

The opinion polls at present give Labour a sizeable lead. The first poll conducted since the decision to hold elections shows that Labour would win 55 seats in the Knesset (parliament) to Likud's 37. But nobody is taking any bets at this stage. Four months before the 1981 elections Labour had a similar large lead, and yet finally managed to win only 47 seats to Likud's 48.

There are no constituencies in the Israeli system. Each party publishes a list of candidates in an order of priority worked out within the political movement, and votes are cast for the party list.

Representation in the 120-seat Knesset is in accordance with the proportion of votes cast by the 2.5m electors. If a party wins enough votes to gain 45 seats, the first 45 people on its list enter the house. If a Knesset member dies or resigns, the next person on the list takes his or her place.

Because of Israel's proportional representation system, no party has ever won an absolute majority in an election. There is little likelihood that this year will be any different.

This opens the way for smaller parties to join in the coalition in return for concessions to their special interest groups. It also makes it more difficult for either major party radically to change the broad directions of Government policy.

The three small religious parties, who held the balance of power in the outgoing coalition, will be hoping to do as well at the July poll and to be in a position to extract concessions from either party in return for their support.

THE CONTENTERS: Mr Yitzhak Shamir, Likud leader (above) and Mr Shimon Peres, Labour leader



# Japan adjusts index

Japan's industrial production index (base 1980) was revised upwards in February, writes Reuter from Tokyo. The International Trade and Industry Ministry said that the February index (base 1980) was revised to seasonally adjusted 113.9 from a preliminary 113.7.

# Budget move

The Australian Government may decide to bring forward the traditional August timing of its national budget, Reuter reports from Canberra. Mr John Dawkins, Finance Minister, said in a paper yesterday that the Government was considering bringing the date forward because a budget in August is already two months into the fiscal year when parliament is traditionally asked to approve new fiscal programmes. Any change, however, would affect the timing of the 1984-85 budget, scheduled for August 21.

# Australian debt

Australia's foreign debt is expected to reach \$84.4bn (£36.6bn) in the fiscal year ending June 30, the Reserve Bank of Australia said yesterday. AP-DJ reports that the bank said in its monthly bulletin that about \$1.8bn of the debt is from the federal government. \$71m is in other public debt and \$42.5bn in the private sector. The bank said that, as a percentage of gross domestic product, overseas debt has risen from about 8 per cent in the 1975-76 fiscal year to more than 21 per cent this year.

# Nigerian tribunals

Ousted Nigerian President Sani Abacha will be tried before a military tribunal, its chairman was quoted as saying yesterday. Reuter reports from Lagos that the National Concord newspaper said it was told that all top politicians held after December's military coup would be tried, including the former president and Mr Alex Ekwueme, the former vice-president.

# Kampuchea refugees

More than 75,000 Kampuchean refugees fleeing a Vietnamese drive against Khmer resistance groups have poured into Thailand during the last three days in the largest wave to cross into Thai territory since Vietnam's dry season offensive began this year, UN officials told Reuter in Bangkok yesterday.

The civilian refugees were now in makeshift camps a few kilometres inside Thailand, officials said.

# Philippines fighting

At least 18 suspected Communist guerrillas and five soldiers were killed when rebels fired at troops on a river ferry in Mindanao Island in the southern Philippines, according to military spokesman quoted by Reuter in Manila.

# Volley of shells closes Beirut crossing point

BY NORA BOUSTANY IN BEIRUT

AN EARLY volley of shells that crashed east of the Green Line yesterday prompted the closure of the only crossing between the Muslim and Christian halves of the capital, jeopardising political contacts.

The Barbir-Museum access road remains the only link between West and East Beirut and its day-long blockade was seen as an ominous sign. Veils of Lebanon, mouthpiece of the Phalange Christian Party, said shells and rockets landed at the eastern end of the 600-yard stretch which is policed by French observers and Lebanesegendarmes.

The new Muslim-influenced state radio station, located in West Beirut, counterclaimed that Christian militiamen were preventing motorists from crossing into East Beirut, but reported no shelling.

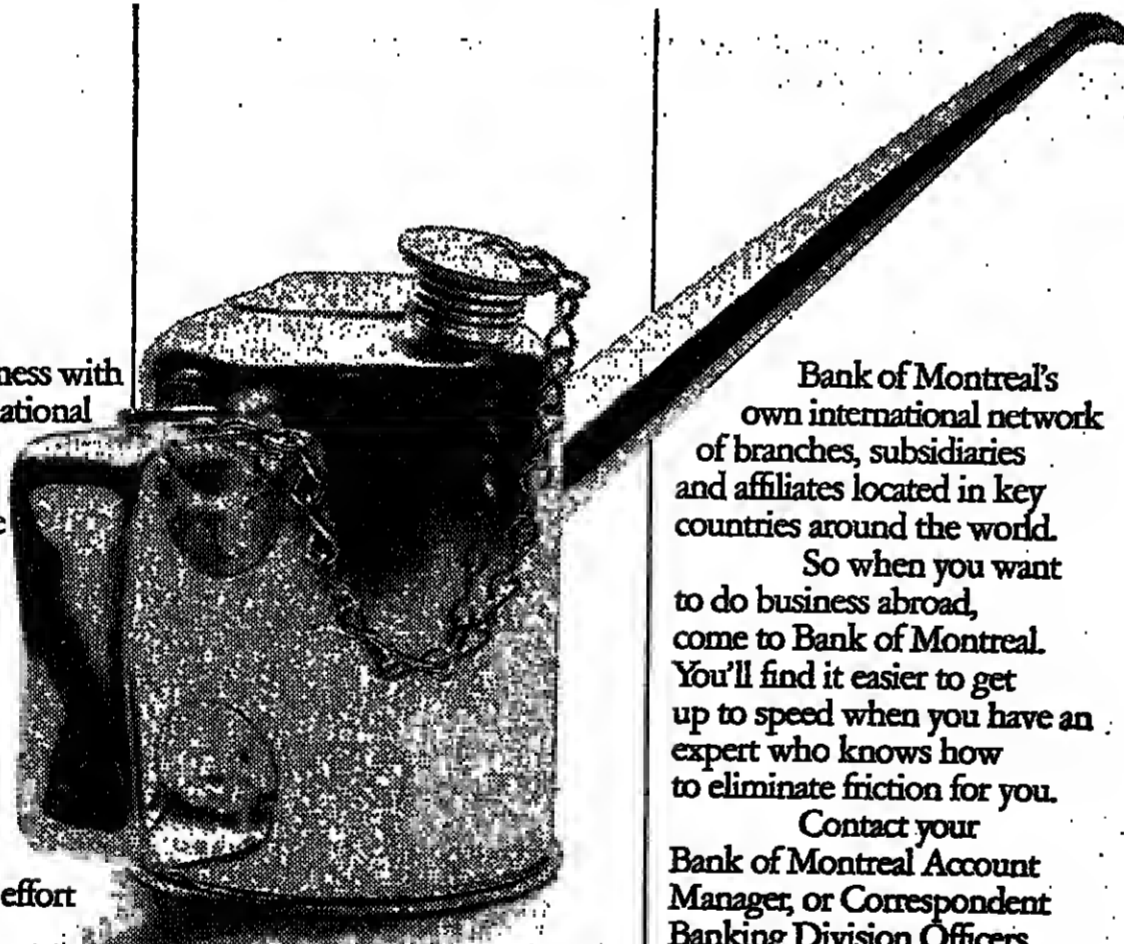
Members of a multi-factional security committee held urgent contacts to reopen the vital crossing.

Meanwhile, clashes continued in the northern port of Tripoli between the Sunni Muslim Islamic Unification Movement and the Syrian-supported militia of the Arab Democratic Party.

In Damascus, Druse and Moslem opposition leaders met with Mr. Abdel Halim Khaddam, Syrian Vice-President.

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# De Lorean cocaine trial starts in Los Angeles tomorrow

By Louise Kehoe in San Francisco

EIGHTEEN MONTHS after his arrest, John Z. De Lorean will finally go on trial in Los Angeles tomorrow facing charges that he attempted to buy \$20m (€14m) worth of cocaine in a fruitless effort to save De Lorean Motors, his Northern Ireland car making company.

Assuming no further delays, and in this case that is always a big assumption, the trial will begin with opening statements from the prosecution and defence tomorrow morning.

Mr De Lorean has however, already spent five weeks in the Los Angeles federal court room listening to his lawyers and the prosecutors interviewing prospective jurors. The process proved tedious. One hundred and thirty one people were questioned about how much they knew of John De Lorean and whether they had been prejudiced by the enormous publicity surrounding his arrest.

Jury selection was completed on Friday, but not before Mr De Lorean's lawyers had unsuccessfully tried, once again, to have his case dismissed on the grounds of pre-trial publicity.

It has already emerged, through the lawyers' questions that the chief prosecution witness will be a Government informant and self-confessed drug dealer, Mr James T. Hoffman. According to Mr De Lorean, Mr Hoffman first contacted him in 1982 with a proposal to fund financing for De Lorean Motors. Later, says Mr De Lorean, it emerged that the money would come from a major drug deal.

Mr Hoffman tape recorded numerous telephone conversations with Mr De Lorean during which it is alleged that they discussed the drugs deal. The tape recordings are expected to be used as evidence against Mr De Lorean. In court last week, however, prosecutors admitted that Mr Hoffman had failed to record some of his conversations with Mr De Lorean.

The defence claims that among the unrecorded calls is one in which Mr Hoffman threatened the lives of Mr De Lorean's two children should he pull out of the drug deal.

Questions have already been raised about the strength of the prosecution case due to concerns about Mr Hoffman's character and about his apparent selectivity in recording calls to Mr De Lorean. It is also becoming clear that Federal Bureau of Investigation undercover agents involved in the financing for the illegal transaction placed considerable pressure upon their suspect to go along with the plan.

Mr De Lorean's defence lawyers will argue that the FBI's action represents entrapment, and the verdict in the case is expected to rest upon the issue of whether Mr De Lorean was in fact a willing participant or whether he was effectively forced to become involved in the drug trafficking deal by threats and by subterfuge.

A large television studio is ready in the Los Angeles courtroom for jurors to view video tapes of meetings between Mr De Lorean and FBI undercover agents. They will have an opportunity to see the tape of Mr De Lorean's arrest, a tape that has already been broadcast on nationwide television in the U.S. many times. Mr De Lorean may also shed light upon Mr De Lorean's complex financial dealings. Prosecutors have charged that Mr De Lorean has \$17m in a Swiss bank account. Last month, however, defence attorneys claimed that the former automobile executive is "broke" and was permitted from the judge for Mr De Lorean to sell his \$2.5m San Diego estate to raise funds to pay for his defence.

# Mexico pushes up prices on basic goods

By David Gardner in Mexico City

THE MEXICAN Government announced a range of price rises on basic goods over the weekend and in what the authorities described as the last major price adjustment of the two-year austerity programme which runs to the end of 1984.

Petrol has been raised 33 per cent, eggs by 40 per cent, sugar 30 per cent and farm support prices for maize, wheat, beans and sorghum by a range from 20-40 per cent. The prices of subsidised staple foods like tortilla remain fixed however while public transport tariffs will be adjusted once the effect of the fuel price rises has filtered through.

The new increases had been expected, but over a more gradual time span. The decision to push through the rises all in one go will add an estimated 2 to 3 points to the expected rise in consumer prices over the next two months and may affect the outcome of second half wage negotiations due in June.

The rise in the consumer price index for the first quarter was 16.8 per cent, and with the new rises, makes an inflation figure of about 30 per cent for the half year likely. The government is still looking to bring down inflation to 40 per cent by the end of the year.

# Levesque fights to regain popularity

Mr Rene Levesque and his Parti Quebecois face a gruelling test this spring. Will the economy continue a recovery begun with a surprisingly good performance last year by manufacturing industry? Will the party perform respectably in three by-elections due this spring? Will policy difficulties within the party, especially of independence about the question, be resolved before the provincial general election, due no later than autumn 1985?

Mr Levesque admits that his party's standing is at a low point. By the end of February three opinion polls showed that the PQ could count on no more than about 30 per cent of the popular vote as against 60 per cent for the Liberals. Mr Robert Bourassa has returned to lead the Liberals after resigning when the PQ defeated them in the general election of 1976.

The PQ has lost every one of the 18 by-elections held since then.

Of the three pending by-elections, one is in a Liberal constituency, the other two, caused by the resignations of two PQ ministers, may go to the Liberals.

Mr Levesque points out, however, that his Government was also at a low point in popular esteem in 1979-80 and bounced back to win the provincial general election of 1981 convincingly. But many difficulties will have to be overcome if he is to pull that off a second time.

In spite of the good showing of manufacturing industry, the mining industry is severely de-

pressed, and unemployment in the province has remained obstinately at around 13 or 14 per cent. It is much higher in some areas and among the young.

Mr Levesque and Mr Jacques Parizeau, his Finance Minister, have been trying to assuage the fears of businessmen who regard the PQ not only as separatist, but also as "socialistic." Mr Parizeau has improved the tax arrangements created in his budget last year for investors buying new equity issues of Quebec companies, and the Charter of the French Language, which is intended to ensure the primacy of French in Quebec, is being handled in a more liberal way.

Under previous practice, English-speaking Canadians posted to Montreal from other provinces were not allowed to send their children to English schools for longer than three years. After that, they had to transfer to French schools. Now extensions of that three-year period are being granted, and it is hoped that major Canadian companies will retain their headquarters in Montreal.

Mr Camille Laurin, who annoyed English-speaking Quebecers when he was sponsored the Charter in his role as Minister of Education, has been moved to Social Affairs. His successor, Mr Yves Berube, is considered more pragmatic.

In an effort to improve the unemployment figures, the cabinet overruled its agricul-



tural zoning commission to allow Bell Textron of the U.S. to start building a C5314m (£280m) helicopter plant near Montreal. Quebec is contributing more than C\$100m, backed by a larger amount from the Canadian federal government, for the plant which is expected to create 3,000 jobs.

In another attempt to help industry, the Quebec Government is also putting up 25 per cent of the equity for a C\$1.5bn aluminium smelter being built near Montreal by Peabody of France. It has also agreed to prolong key water leases for the hydroelectric power supplying Alcan's Laerriere project north of Quebec City.

Mr Levesque may have some luck with the economy as the U.S. recovery spills over into Canada, but he is in serious trouble with the young educated middle class, which is chafing under high provincial taxation, and with the public service unions, resented of pay cuts and freezes imposed in 1982-83.

Some of the younger party leaders have been demanding that the PQ should make independence the top issue in the next provincial general election. Several leading ministers have spoken out against this, believing that it has little popular support.

Mr Levesque has leant the other way, however, though he has fudged the issue by interchanging "independence" for "sovereignty" and avoiding real commitments. The real battles remain to be fought.

# Bolivian workers threaten all out strike

LEADERS OF Bolivia's powerful Workers' Confederation (COB) have said they will call an indefinite general strike if the Government does not modify austerity measures by April 25, reports Reuter from La Paz.

The warning came after national leaders of the Communist-led COB met for 10 hours on Sunday to discuss protest action against last Thursday's economic package.

The package raised the price of basic foodstuffs, transport and fuel by between 110 and 800 per cent and devalued the Peso by 75 per cent.

A three-day strike called by the COB which ended at midnight last night paralysed transport and closed shops, restaurants, cinemas and theatres in La Paz.

Public demonstrations and marches to reject the measures have been called for today. The COB leaders also called for urgent talks with the Government to discuss an alternative economic programme.

Thursday's economic package, which the Government said was necessary to stop rising inflation that ran at 328 per cent in 1983, has led to charges from the opposition that Bolivia is under the control of the International Monetary Fund (IMF).

# Nicaraguan port mining forces cargo diversion

By Tim Coone in Managua

OVER 1,200 shipping containers bound for Nicaragua from Europe have been held up in the Costa Rican port of Caldera, as a result of the U.S. supervised mining of Nicaraguan ports in search by rebels seeking to overthrow the left-wing Sandinista government.

Sr Sergio Osorio, the head of the Vassalli shipping agency in Nicaragua's main port of Corinto, said however that it was only the cost of a trade from Europe that had been affected and that four ships per month that normally call at Corinto were now discharging.

The most serious effects of the delays in delivery of the containers has been in the aggravation of shortages of certain products such as milk powder, and in the creation of production bottlenecks in some factories due to spare parts and raw materials shortages.

Some of the most urgently required containers are being brought up by land or by smaller ships from Caldera. The export trade has only been marginally affected and other conventional shipping lines are stepping in to carry cotton and coffee exports to Europe, that would otherwise be carried by the four specialised container lines.

Sr Osorio said that the Corinto port authority had offered to provide all the facilities for safe entry into the port requested by the four European shipping lines that have diverted to Costa Rica, but they were still refusing to call at Corinto. The port is now thought to be clear of mines that damaged five ships in March.

High O'Shaughnessy in London writes: The Foreign and Commonwealth Office yesterday repeated its condemnation of the mining of Nicaraguan ports when a senior FCO official received two leading anti-government insurgents, Sr Alfonso Robelo and Sr Donald Castillo, leaders of the Costa Rican-based ARDE movement, which has been carrying out raids into Nicaragua, called on the FCO to seek support for their cause.

# Cuba 'won't pay' principal on 1984 foreign debt

By Hugh O'Shaughnessy

CUBA WILL pay interest but will not repay principal on its 1984 foreign debt, according to Sr Raul Leon Torres, minister-president of the Cuban National Bank.

A total of \$365m in interest and principal is due on official and commercial debt this year. Sr Leon, on a visit to Moscow, was quoted by Prensa Latina, the Cuban news agency, as saying that a "responsible" renegotiation of the foreign debt was the only option open to Cuba which was suffering from a shortage of convertible currency.

The country, he said, was still suffering from the effect of the

large withdrawal of credits amounting to \$500m between July and August 1982. Sr Leon blamed lender countries for not renewing the loans, they had formerly extended to Cuba. The "main cause" of the island's difficulties, he claimed, was the present low price of sugar.

"Creditor countries which are members of the European Economic Community have great responsibility for this situation because their selfish policy of sugar export subsidy deprived developing sugar-exporting countries of the means to develop their economies," Sr Leon said.

# Salvadorean election official threatened

RIGHTIST death squads recently planted dynamite in the office of a Salvadorean election official and made death threats against a U.S. election adviser, Arturo Rivera Damas, the Archbishop of San Salvador, said late on Sunday.

The threats, coming three weeks before the May 6 presidential run-off, prompted the Salvadorian to flee the country, Christian Democratic Party (PDC) officials said. The U.S. official also left, but the PDC officials said he was vacationing and would return.

Sr Roberto Meza Delgado, vice president of El Salvador's

election council and a member of the Christian Democratic Party, left the country on Thursday after sticks of dynamite were found in his private office, party officials said.

Mr John Kelly, an election specialist for the U.S. Agency for International Development who advises the council, received at least two telephone threats, an official said. The callers reportedly identified themselves as members of a rightist death squad, the Maximiliano Hernandez Martinez Anti-Communist Brigade. AP

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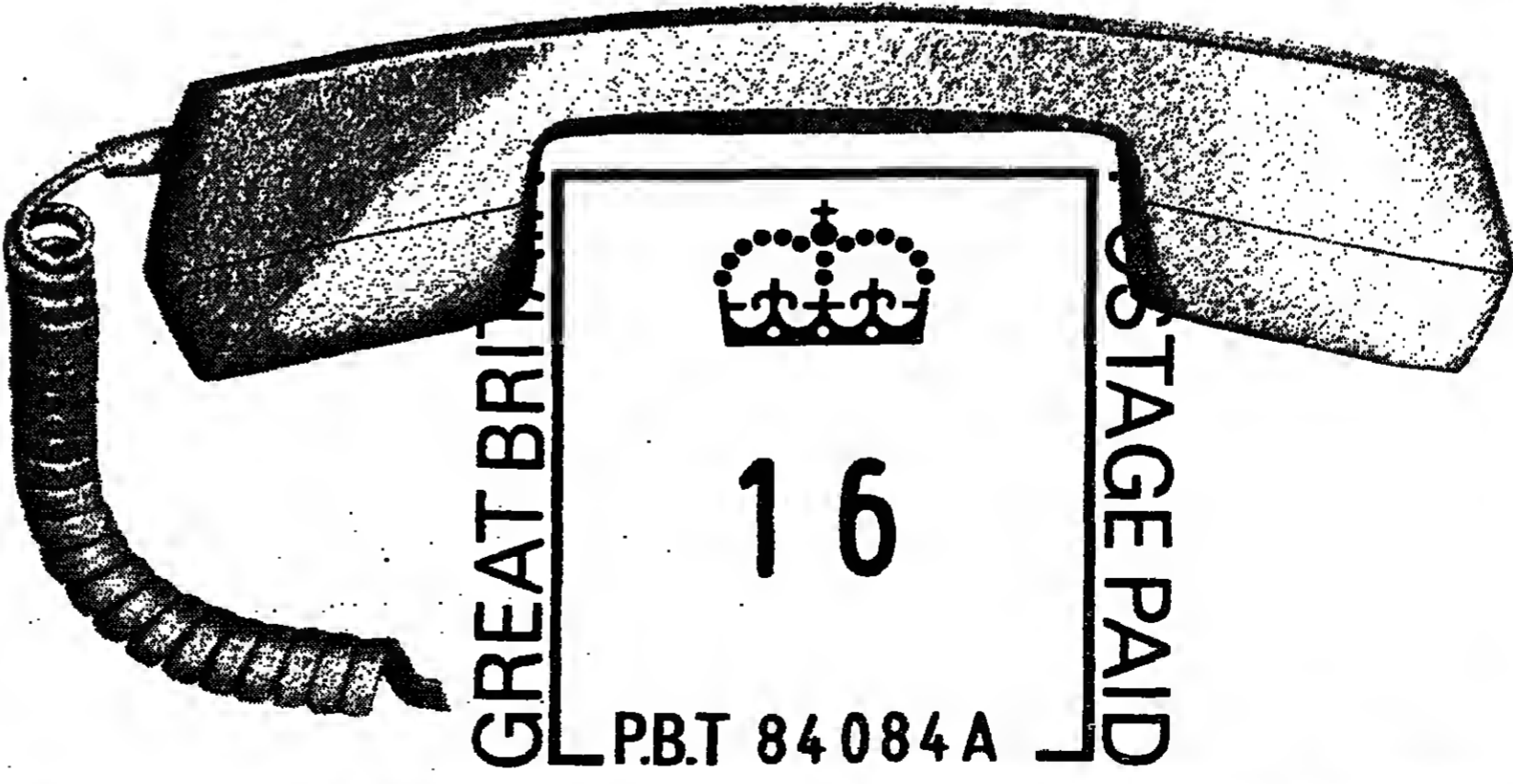
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WORLD TRADE NEWS

European companies scramble for power orders in Indonesia

BY CHRIS SHERWELL IN JAKARTA

EUROPE'S biggest names in diesel and thermal power generation are scrambling for contracts in a number of Indonesian projects being revived by the Government.

The projects were among those deferred last year in a large "rephasing" operation designed to save \$4bn (£2.8bn) in foreign exchange.

Indonesia is Asia's largest oil and gas exporter, and the rephasing was one of several austerity measures designed to stabilise government finances after the fall in world oil prices.

The Government subsequently indicated it might revive some projects if the terms were right, and this has produced a battle among bidders, and governments to supply enough grant-aid to secure the business.

At the same time, a separate power project—a thermal station at Surabaya in West Java—is the object of a fierce competition for a multi-million-dollar boiler contract between two North American giants—Combustion Engineering of the U.S. and Babcock and Wilcox of Canada, part of the McDermott group of the U.S.

At stake is the prospect of future business in Indonesia's huge electrification programme, and the competition, which is now reaching a climax, is believed to be provoking heated debate between the two sides' supporters in the government.

So far, only one of the "rephased" projects, the Mrica hydroelectric scheme in Central Java, is actually back on the rails. This followed the successful conclusion of negotiations last month by the originally contracted consortium of Balfour Beatty of Britain and Skanska of Sweden.

Although their bid already included a sizeable grant element, intervention by the British and Swedish Governments made the financing irresistible for the Indonesians.

A similar negotiation is now under way with the Swiss, who

are bidding strongly for a thermal power project at Belawan. They are believed to have offered aid within the Indonesian Government's preferred range of 30-40 per cent—beyond most Government's means unless they decide to put all their eggs into one basket in order to win the business.

This also appears to be happening with diesel engine contracts for revived rural electrification projects. For example, the favourite to supply the largest engines is Stork of the Netherlands, apparently because the Dutch Government committed the resources.

For the next level down—engines for 8 Mw stations—the competition is between the British, French and Italians. The contract could be worth \$35m to Hawker Siddeley Power Engineering, which heads the British bid. Some \$11m-£12m would be in the form of a grant.

For 2.5 Mw-3 Mw stations, another British company, GEC Ruston, is pitched against Siemens of West Germany. The West Germans, like the British and the U.S. have entered the whole "mixed credit" game of combining aid and export credits mainly to match France, which has probably followed this policy longest.

The West German decision annoyed the U.S., which believes mixed credits distort competition. Last month, however, apparently to show its own financial muscle, the U.S. Eximbank authorised a low-interest long-term loan to Nuranki, Indonesia's aircraft manufacturer, for the purchase of machine tools from Cincinnati Milacron.

This was Eximbank's first mixed credit, and was aimed specifically at the French, who are bidding for the same contract. For the Indonesian, the situation could hardly be better as the industrialised countries fight it out.

Sikorsky set to sell helicopters to Australia

By Colin Chapman in Sydney

THE U.S. helicopter manufacturer Sikorsky, a subsidiary of the United Technologies Corporation, seems set to win a major Australian Government contract for helicopters at the expense of Westland of Britain, after announcing a major offset deal yesterday.

Sikorsky has given the British-owned Hawker de Havilland's Australian subsidiary an \$32m (£1.25m) contract to build wings and tailplane for an experimental U.S. X-wing aircraft which will take off like a helicopter and then fly like a fixed-wing aircraft.

Mr William Paul, president of Sikorsky, said his company had made an undertaking for a long-term association with Australian industry in connection with their proposed sale of the Sikorsky S70 Sea Hawk to the Royal Australian Navy.

Under the deal, Hawker de Havilland will build the wing and the upper and lower stabilisers for the rotor pistons research aircraft that will test the new X-wing system being developed by Sikorsky under a contract from the U.S. National Aeronautics and Space Administration.

Mr Bruce Price, Australian managing director of Hawker de Havilland, said this was the first time his company had been involved in a major U.S. defence development.

The Australian armed services need at least 60 machines over the next 10 years, and until now Westland Helicopters has been a strong candidate for the contract.

This is because it has made a pitch on the basis of the order being the first stage towards the company building machines in Australia for export to Asia, where it hopes to get one-sixth of the market over the next decade.

FEARS OF COMPETITION FROM JAPAN AND U.S.

Cit-Alcatel urges telephone sales accord

BY DAVID MARSH IN PARIS

CIT-ALCATEL, the French state-controlled telecommunication group, has made a strong call for a proposed Franco-British telephone sales accord to strengthen European collaboration and stand up to threatened competition from U.S. and Japanese multinationals.

M Christina Feyard, managing director of the public telephone division of CIT-Alcatel, said an agreement was necessary to end "100 years of non-contact" between the British and French telecommunications industries.

The British and French telecommunications authorities, together with the two countries' chief telephone manufacturers, have been holding talks for several months on a proposal for reciprocal sales in each other's markets of the French E.10 digital telephone system and Britain's System X exchange.

Sir George Jefferson, the chairman of British Telecom, is due to visit Paris in a few weeks' time, probably in May, to discuss the project with M Jacques Doudoux, head of

France's DGT telephone authority.

France, which launched the initiative for the talks at a meeting between President Francois Mitterrand and Mrs Margaret Thatcher last October has, however, been irked by suggestions from British Telecom that the E.10 system, despite its present world-beating performance, could quickly become technologically obsolete.

M Feyard said the French telecommunications industry, which under a landmark agreement last autumn now groups together CIT-Alcatel with the telephone interests of the Thomson electronics group, spends around \$150m (£107m) annually on updating digital telephone systems.

Officials at the DGT have made clear that France would be quick to respond to any campaign by British Telecom to turn down the French deal.

M Feyard points out that the E.10 exchange together with the MT 20 and 25 systems developed by Thomson have been ordered or installed to the tune of 18m lines worldwide in 44 countries, amounting to 30 per

cent of the international market so far developed for digital exchanges.

Around two-thirds of the total refers to lines in France, with one-third installed or ordered abroad.

By contrast, System X has made only one overseas sale, to the Caribbean island of Saint Vincent.

In a discreet threat which shows the importance France is attaching to completing the

deal, DGT officials say they realise that neither E.10 nor System X may be the world's most up-to-date system.

But if British Telecom develops its theme that E.10 is outmoded, they say, France could easily fight back by using its contacts already forged on the world market to spoil any chance of the System X developing an independent international foothold.

The DGT believes it has a strong impression of System X's strengths and weaknesses after months of appraisal of both the British and French exchanges by technical teams from the two countries.

M Feyard said the important point about the proposed Franco-British deal was not the question of reciprocal sales to Britain in exchange for sales of the System X in France, which he called simply "an exchange of market shares."

had roughly double the number of telephone exchange manufacturers compared with the U.S., although the European market was about half that in America.

Because of the size of investment needed to develop, update and commercialise telephone exchanges on the world market, "it is necessary to unite efforts in Europe rather than to disperse them," he said.

A reciprocal accord on the E.10 and System X would go beyond a simple export deal and would involve considerable industrial roles for British and French manufacturers on the two markets.

He also pointed out that Britain had a more pressing need than France for a second digital telephone system to complement present exchanges.

Pan Am to move German HQ to West Berlin soon

BY LESLIE COLT IN BERLIN

PAN AMERICAN is to move its internal German service and central European headquarters from Frankfurt to West Berlin next month as a result of the city's expanded investment incentives.

The decision, announced by Mr Edward Acker, chairman of Pan Am, was taken after talks between West Berlin officials and the airline on the benefits both sides would derive from Pan Am's relocation to West Berlin.

Mr Acker said the move reflects the "significant contribution Berlin and the internal German service make to Pan Am's total corporate strategy."

headquarters to West Berlin after the West German cigarette company, Martin Brinkman AG.

A spokesman for the city's economic department said the Pan Am decision marked a turning point in convincing companies of the advantages of establishing their main offices in West Berlin.

The city is especially eager to have some of the West German companies which moved their headquarters from Berlin to West Germany in the post-war period, return.

U.S. curbs on 'high-tech' for China attacked

PEKING — Washington's controls on technology exports to China are discriminatory and unequal, a leading Chinese scientific official said yesterday.

Chen Zongli, director of China's Institute of Geophysics, said U.S. policy on scientific and technological exchange with China had hampered co-operation in these areas, the New China News Agency reported.

Chen made his comments as a U.S. team began talks in Peking to seek a nuclear energy co-operation agreement with China before a visit later this month by President Ronald Reagan.

Tenders issued to make small car in Egypt

BY CHARLES RICHARDS IN CAIRO

TENDERS WERE issued yesterday for the design and manufacture of a small-and-medium-sized car in Egypt.

The General Organisation for Industrialisation has issued tender documents for a small 1,000 cc car with an initial volume of 60,000 units rising to 100,000 units.

Investment required is expected to be between \$80m and \$40m (\$21m-£28m).

First Motors of the U.S., Fiat of Italy, Seat of Spain, Toyota, Mazda, Honda Nissan of Japan, and Austin Rover of the UK.

Egyptian officials say they expect the same company will be chosen for both the small- and medium-sized car to ensure commonality of parts and to avoid duplication of investment.

The aim of the project is to cut back on imports and to develop a skilled production base. With a population growth rate of 2.7 per cent, Egypt also needs to find 400,000 new jobs a year.

Advertisement for GZB BILANZ featuring financial data: Bilanzsumme 123.430 Mio. S (+13.4%), Bankguthaben 35.046 Mio. S (+19.2%), Wertpapiere und Schatzscheine 25.328 Mio. S (+17.8%), Eigenmittel 3.292 Mio. S (+21.2%), Gesamtkredite 50.324 Mio. S (+8.2%), Gesamt-Liquidität 56.7%, and Gesamteinlagen 110.296 Mio. S (+13.6%).

Ericsson wins £17.8m bank machine order

By Jason Crisp

L. M. ERICSSON, the Swedish communications group, has won a \$25m (£17.8m) order for automated teller machines (ATMs) from the Swedish Savings Banks.

The order is for 1,000 machines thought to be one of the largest ever placed, against strong foreign competition.

The ATMs are being jointly developed by Ericsson Information Systems and Omron Tatsuki Electronics of Japan. The machines will be of a completely new design and are to be installed in Autumn, 1985.

Ericsson lost a major contract at Fellesdata, a data centre serving most of the Norwegian savings banks. Fellesdata placed a \$60m order with WCB, the U.S. computer group, for banking automation equipment including ATMs.

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BASE LENDING RATES table listing various banks and their interest rates, including A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

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UK NEWS

# Slowdown in volume of retail spending

BY PHILIP STEPHENS

BRITAIN'S consumer spending boom showed signs of slowing last month with an unexpected drop in the level of retail sales.

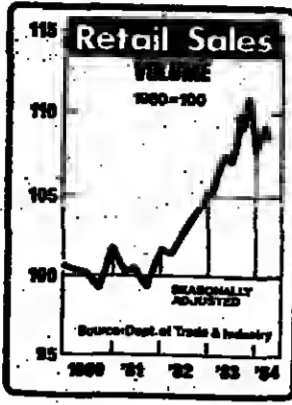
The Department of Industry said yesterday that provisional data indicated that the volume of retail business fell 0.8 per cent in March to an index value of 108.6 (1980 = 100).

In Whitehall, however, officials reacted calmly to the lower level of spending, which they believe may be largely attributable to a run of poor weather.

An exceptionally high volume of sales in the last three months of 1983 and the lateness of Easter may also have contributed to the relatively poor figures so far this year.

In the first three months of 1984 retail trade has been 1 1/2 per cent below the level of the previous quarter, although it remains 3 per cent up on the first three months of last year.

Indications are that sales will



pick up in April. Last year buoyant consumer spending provided the main impetus for the 3 per cent growth in the economy.

Some slowdown is likely in 1984 as consumers reach their borrowing limits, but the Treasury believes that further rises in take-home pay point to only a slight reduction in spending.

# Alexander recovers further £1.1m

ALEXANDER & ALEXANDER Services, the world's second largest insurance broker, gained £1.1m from four former executives of its British subsidiary Alexander Howden Group in a private settlement last week, John Moore writes.

Since August 1982, Alexander & Alexander has been attempting to recover assets from the four former executives whom it accused of misappropriating \$35m from Howden's insurance interests.

The four former executives who

reached the settlement were Mr Kenneth Grob, the former Howden chairman, Mr Ronald Comery, Mr Alan Page and Mr Jack Carpenter.

Under the terms of the settlement, Alexander & Alexander received £300,000 worth of marketable securities, a Renoir painting valued at £250,000, and a London house belonging to Mr Kenneth Grob, valued at £550,000.

In all, Alexander & Alexander has succeeded in recovering about \$29m of assets from the executives

which it had alleged were missing.

Mr Grob has been allowed to keep the Villa Olivola, at Villefranche in the South of France, which was originally valued at \$3.1m. The villa has been recently revalued and is understood to have been assessed as being worth £400,000.

Mr Carpenter and Mr Page last week resigned from Lloyd's and although Lloyd's is seeking to begin disciplinary action against all four executives and Mr Ian Pospate, the

former leading underwriter at Alexander who is not a party to the latest settlement, it is doubtful whether the Lloyd's authorities will have jurisdiction over the two once the resignations become effective.

Lloyd's has said it may make a rule to prevent a resignation unless a member has permission to do so.

Its powers of jurisdiction were called into question recently when two underwriters involved in another investigation resigned.

# Dutch and Japanese companies obtain cheapest overdrafts

BY DAVID LASCELLES

DUTCH companies have the lowest bank overdraft costs in the industrialised world, closely followed by the Japanese and West Germans, according to a survey by the London-based Association of Corporate Treasurers.

The association's journal The Treasurer publishes in its latest issue what it claims is the first survey of the cost worldwide of overdraft finance for prime corporate borrowers. The information was supplied by leading banks in each country and aims to establish the effective cost of bank loans, including taxes and extra charges.

The difference between the stated and effective cost can be considerable.

In Switzerland, the Zurich interest committee sets a nominal rate which, at the time of the survey at the end of February, was 6.75 per cent, the lowest of any country. But banks levy an extra 0.25 per cent on the highest quarterly balance which, including other charges, raised the effective rate to 8.84 per cent.

In the Netherlands, by contrast, the effective cost of 7.32 per cent was little more than the nominal cost of 7.25 per cent.

OVERDRAFT COSTS	
Effective cost of overdraft finance worldwide for prime corporate borrowers	
Netherlands	7.32
Japan	7.72
W. Germany	8.54
Switzerland	8.84
Austria	8.89
UK	10.13
U.S.	11.28
France	16.27
Belgium	16.58
Italy	17.62

Source: The Treasurer, April 1984

The survey shows more than the nominal cost of 7.25 per cent.

The survey shows that banks in several countries, including Belgium and France, charge a percentage of the highest balance in any quarter on top of the basic cost of the loan. Some also charge commitment fees or levy interest on the entire overdraft facility, whether taken up or not.

Borrowers seem to get the worst deal in Zimbabwe, where banks charge a flat 1 per cent on the overdraft facility and collect interest in advance. This adds 2.15 per cent to the cost of a loan.

# Security company plans Middle East operation

BY CHARLES BATCHELOR

TWO BRITISH security companies have set up an organisation to help governments and companies in the Middle East to counter the threat of terrorist and criminal action.

The new company, Defence and Security International, will analyse the risks and devise counter-measures for potential targets such as airfields, oil refineries, rigs and desalination plants. It will train guards and install electronic security measures.

The main UK partners are Security Centres Holdings, a publicly-

quoted electronic alarms group, and Defence Systems International, a privately-owned security consultant and equipment supplier.

A third partner is the Middle East Institute for Strategic Studies, which is based in Jordan and provides advice on security-measures for clients in the Middle East.

The new company will be based in Limassol, Cyprus, and plans to establish operations with local partners in countries such as Saudi Arabia, Dubai and Kuwait. It hopes to obtain contracts worth £10m by the end of 1985.

# Bridges resigns as head of Plessey subsidiary

BY GUY DE JONQUIERES

MR JIM BRIDGES has resigned as president of Stromberg-Carlson, the U.S. telecommunications manufacturer acquired by Plessey 18 months ago.

Plessey said that Mr Bridges left the company at the start of this month to join Burroughs, the U.S. computer manufacturer, where he had been offered a senior management post.

Mr Bridges was president of Stromberg when it was bought by Plessey and had previously worked for Burroughs. Plessey and Burroughs have been discussing pro-

posals for technical collaboration in data communications.

Mr John Whyte, chairman of Plessey Telecommunications International, has been appointed acting president of Stromberg until a permanent replacement for Mr Bridges is found. That is expected to take about two months.

Mr Whyte is a former head of British Telecom's major systems division and supervised the reorganisation in 1982 of the production arrangements for System X, Britain's electronic digital telephone exchange.

# BP tests new oil recovery technique

FINANCIAL TIMES REPORTER

SCIENTISTS at British Petroleum (BP) are testing detergents to see if they can be used to get more oil out of North Sea.

Professor John Cadogan, the company's director of research, told the Royal Society of Chemistry that conventional methods of oil recovery in the North Sea allowed only 40 to 45 per cent of oil to be recovered.

If the new method worked, 15 to 40 per cent of the oil that was left might also be extracted.

Detergent made the oil more liquid so that it could be pushed more easily out of rocks, he said.

Different detergents were needed for different oilfields and the trials now under way were designed for the Forties Field.

## COMPANY NOTICES

### London American Energy N.V.

#### Annual General Meeting

Notice is hereby given that the Annual General Meeting of London American Energy N.V. will be held at Ploersmaal 15, Willemstad, Curacao, Netherlands Antilles on 7th May 1984 at 10.00 a.m. to consider and, if thought fit, to take the following resolutions:

- to approve the balance sheet of the Company and the consolidated balance sheet as of 31st December 1983, the related consolidated statements of income and retained earnings and changes in financial position of the company and its subsidiaries for the year ended 31st December 1983, together with the respective notes thereto and the Auditors' Report thereon;
- to ratify the payment on 16th November 1983 of the interim dividend of \$30 per share;
- to ratify the distribution on 18th November 1983 of \$120 per share by way of capital repayment out of additional paid in capital;
- to approve the distribution of \$30 per share by way of capital repayment out of additional paid in capital; and
- to re-appoint the Auditors and authorise the Board to determine their remuneration.

London American Energy N.V.  
4th April 1984

#### NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS ISSUED BY KOMATSU LTD

EDR holders are informed that Komatsu Ltd. has paid a dividend to holders of record December 31, 1983. The dividend is payable in Japanese Yen (Yen) at 20.00 Yen per share. Payment to the Depositary has been made on the date of the dividend. The Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 28 for payment. Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary of the deposit of a valid certificate of residence in a country which has a tax treaty agreement with Japan giving the benefit of the reduced withholding rate. Companies currently having such agreements are as follows:

- |                |          |                 |                 |
|----------------|----------|-----------------|-----------------|
| A.R. of Egypt  | France   | The Netherlands | Spain           |
| Belgium        | Germany  | Norway          | Switzerland     |
| Canada         | Italy    | South Korea     | Taiwan          |
| Czechoslovakia | Ireland  | Sweden          | U.S. of America |
| Denmark        | Malaysia | Thailand        |                 |

Filing receipt of a valid certificate of residence will be indicated at the rate of 20% of the gross dividend payable. The full rate of 20% will also be applied to any dividends payable after July 31, 1984. Amounts payable in respect of coupon dividends:

Coupon No. 28 1 share	Gross Dividend \$20.00 \$20.00	Dividend payable withholding tax \$20.00	Dividend payable withholding tax \$20.00
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336, Strand, London WC2R 1JH.  
April 13, 1984.

#### REED INTERNATIONAL LIMITED

##### US\$40,000,000 9% Bonds 1987

S. G. WARBURG & CO. LTD. announce that the redemption payment of Bonds due 15th May 1984, for a nominal value of US\$4,000,000 has been made by purchase in the market. US\$1,000,000 nominal amount of Bonds will remain outstanding until 15th May, 1984.  
30 Gresham Street London EC2P 2BB 12th April, 1984

#### REPUBLIC OF COSTA RICA

##### Floating Rate Note Issue of US\$20 million April 1978/85

The rate of interest applicable for the six months period beginning on April 13 1984 and set by the reference agent is 12 1/2% annually.

#### NOTICE OF FINAL REDEMPTION CREDIT COMMERCIAL DE FRANCE

##### US\$60,000,000 Floating Rate Notes 1978-1985

NOTICE IS HEREBY GIVEN to the holders of the above mentioned Floating Rate Notes that the redemption payment of the principal of the outstanding notes will be made on the date of the redemption. The redemption price will be the principal amount of the notes plus interest accrued to the date of redemption. A LISTING OF THE NOTES TO BE REDEEMED WILL BE PUBLISHED IN THE FINANCIAL TIMES.

#### LEGAL NOTICES

No. 00464 of 1984

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION IN THE MATTER OF ELECTRONIC MACHINE COMPANY PLC AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice Chancery Division dated 2nd April 1984 confirming the cancellation of the Share Premium Account and the reduction of capital of the above-named Company from £700,000 to £400,000 and the Minutes approved by the Court showing with respect to the capital of the Company as amended the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 6th April 1984. Dated the 6th day of April 1984.

CLIFFORD-TURNER, Solicitors, 48, New Bridge Street, London EC4V 8EY. Solicitor to the above-named Company.

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UK NEWS

Councils win court case over pay cuts

By Raymond Hughes and David Brindle

THE HIGH COURT yesterday upheld decisions by two local authorities to dismiss their school meals staff and then to offer them re-employment on terms inferior to those under a national agreement.

The National Union of Public Employees (Nupe) said the rulings cleared the way for councils throughout the country to cut the pay of their employees regardless of national agreements.

Mr Rodney Rickerstaffe, the union's general secretary, condemned the rulings as "legalised theft." He said: "The councils are stealing wages and conditions from already low-paid and exploited workers who serve the communities in which they live."

In the High Court, Mr Justice Mann refused claims by Nupe for declarations that Hertfordshire and East Sussex county councils had exceeded their legal powers in deciding to change the employment terms of their meals staff.

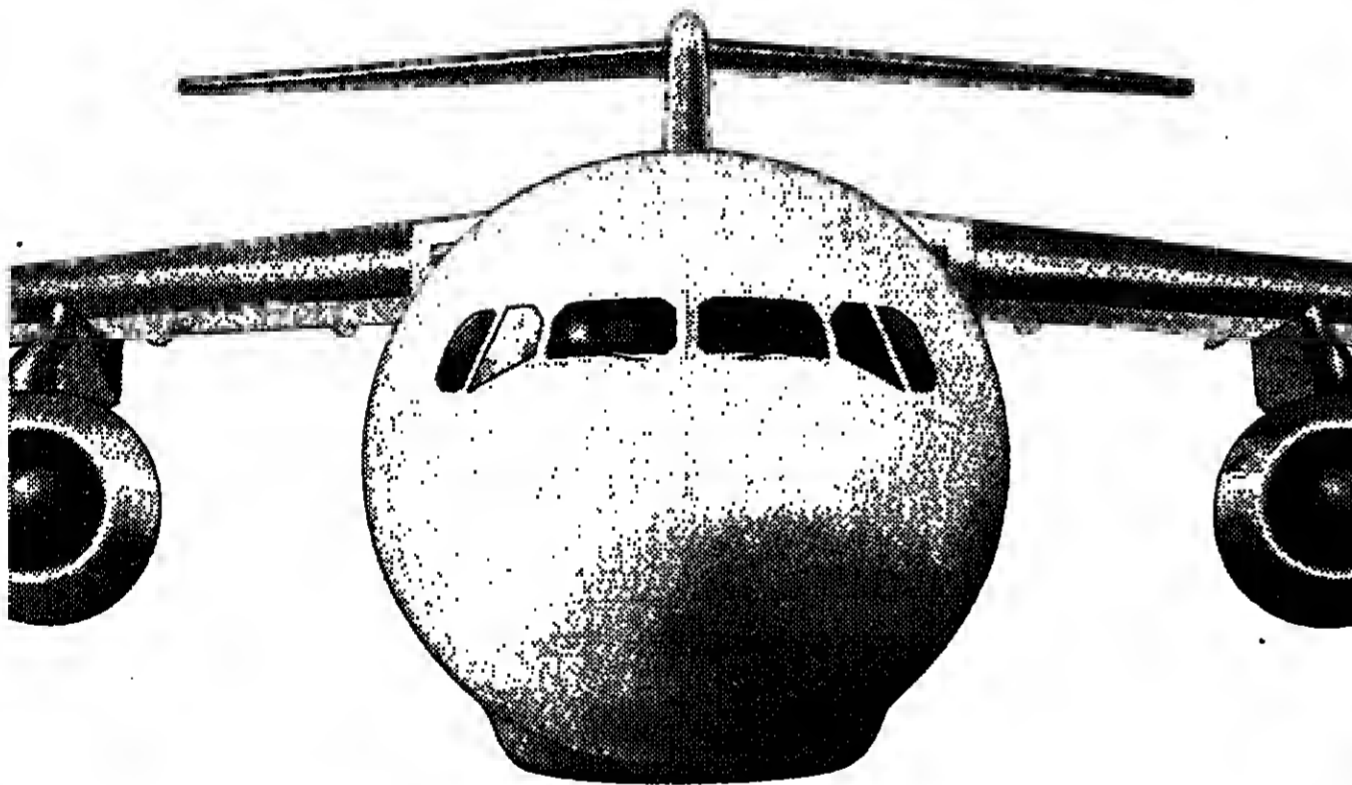
He held that councils had taken into account all relevant considerations before making their decision which had been forced upon them by the Government's spending limits.

The judge said the court's task was to see whether the councils had acted lawfully, not to be an appeal court adjudging on the councils' treatment of their workers.

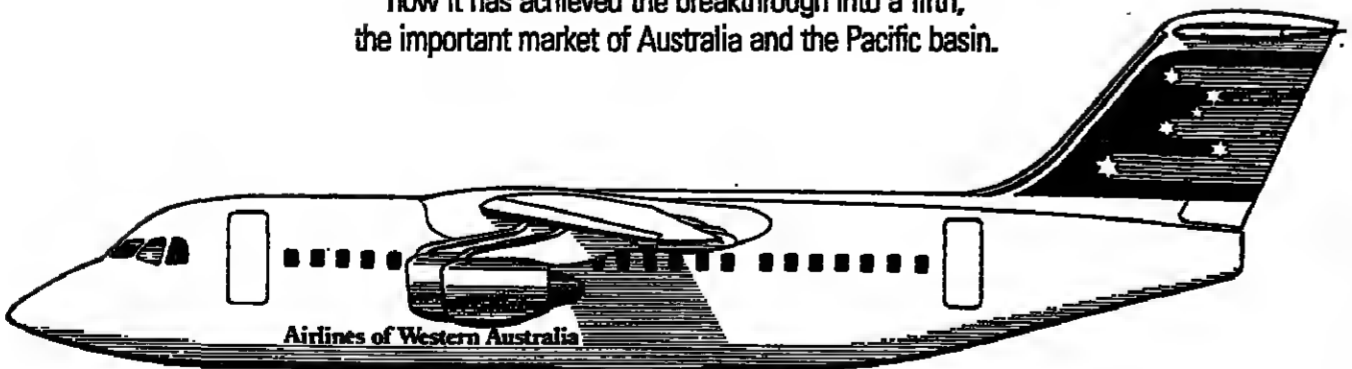
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How the parties make creative use of pennies from Europe

Margaret van Hatten explains the allocation of EEC election funds

THE BRITISH Parliament was once wickily described by Finnegan and Allen, the music hall comedians, as "the finest body of men that money can buy."

That, of course, was long before the European Parliament was set up. For if the £25m being spent by European taxpayers on this year's EEC elections is anything to go by, Westminster must pale beside Strasbourg.

Of that £25m, more than £4.5m will be spent in Britain. But because the system of allocation is geared more to the proportional representation systems of the other nine EEC countries than to Britain's first-past-the-post system, the distribution in the UK will be somewhat lopsided.

Two thirds of the money - about £17m - has been available since January 1983 for an "information campaign," supposedly to educate voters about European issues and institutions.

This money, which has to be committed - although not necessarily spent - by May 2 is, however, available only to those parties already represented at Strasbourg and is handed out on the basis of seats held.

It is paid through the political groups there, who allocate it to constituent parties as they see fit. Under this system, the Conservatives, with 60 of the 83 seats in the European Democratic Group, have claims on most of the £2.68m allocated to the group.

The Liberals are not strictly eligible for any of the money because they have no seats, but have been allocated some (believed to be about £200,000) by the Liberal and Democratic Group, to which they are affiliated. The Social Democratic Party (SDP), which is not affiliated to any group, is not getting anything at all, although it is linked to the

Liberals in a UK parliamentary alliance.

The remaining one-third of the total - about £8m - will not be paid until after the election of June 14, when parties - even those which have not won seats - will be able to claim for election expenses, up to a limit determined by the number of votes cast for them, provided they have won more than a fixed minimum of votes.

In Britain, this would probably provide a total of about £1.5m for all parties, with the Conservatives almost certainly eligible for the biggest share.

This time, the SPD would also get a share, even if, as is expected, it does not pick up a single seat, because its vote is likely to be above the minimum. However, parties such as Sinn Fein and the National Front, which are not affiliated to any of the European groups, would be most unlikely to qualify.

If voting in Britain were to be similar to that in last June's general election, the Conservatives would be eligible for a total of about £2m, compared with about £1m for Labour and less than £800,000 for the Liberal SDP/Alliance (including the money donated by the European Liberals).

The system gives the Conservatives another inbuilt advantage. Since the £2.4m available to them for the information campaign has been at their disposal since the beginning of last year, there would have been nothing to stop them drawing on it, putting it on deposit and paying the interest directly into party funds.

European officials point out that this is a private matter for the Conservative Party, but they estimate that, wisely invested, it could have boosted party funds by about £200,000.

All of this appears to be a matter

of some embarrassment to the Conservatives, who strongly disapprove of state funding for political parties. Indeed, they insist that they will use their allocation of European money only for information purposes, and will draw on party funds for direct election expenses.

Party officials concede, however, that, if their information campaign costs more than the funds allocated for it, they may, as permitted under election rules, draw on their election expenses allocation to top up the difference.

Spending all this money within the time and according to the rules specified by the European Parliament, is posing problems for Labour and Conservatives alike. The definition of an "information campaign" is being stretched, in places to near transparency.

For the Conservatives, it covers a contract, reported to be for about £500,000 to advertising agents Saatchi and Saatchi, as well as a range of conferences across the country, mass advertisements and pamphlets about the EEC.

It also covers trips to Strasbourg - to learn about the EEC at first hand - for party workers and journalists. The Conservatives have been taking about two groups of about 40 people each to the monthly sittings of Parliament - an exercise which non-party sources estimate has proved trips for around 300 people at a total cost of around £100,000.

Labour has also been showing initiative. The party has set up a campaign unit of nine full-time workers. The unit has premises inside the party's Watworth Road headquarters in South London.

Whether all this expenditure will improve the quality of representation in Strasbourg is a question that produces ruckus among party officials. But it was ever thus.

Rand Mines Group Gold Mining Company Reports for the Quarter ended 31st March, 1984

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undenominated companies in the United Kingdom, 40 Holborn Viaduct, London EC1P 1AJ

Financial statements for HARMONY GOLD MINING COMPANY, LIMITED and DURBAN ROODEPOORT DEEP, LIMITED. Includes operating results, financial results, and capital expenditure.

There are commitments for capital expenditure amounting to R1 800,000. The estimated total capital expenditure for the remainder of the current financial year is R11.5 million.

There are commitments for capital expenditure amounting to R12 000,000. The estimated total capital expenditure for the remainder of the current financial year is R15.0 million.

As announced by the Minister of Finance on 22nd March, 1984, the purchase of mining machinery has been increased from 15% to 20% and the purchase of other machinery from 10% to 15%.

Members were informed in a general meeting on 17th March, 1984 that in view of the fact that the dividend had been declared in accordance with the provisions of the Harmony and Durban Proprietary Mines Limited Act, 1974, the dividend for the quarter ended 31st March, 1984, is in respect of the six months ended 31st December, 1983.

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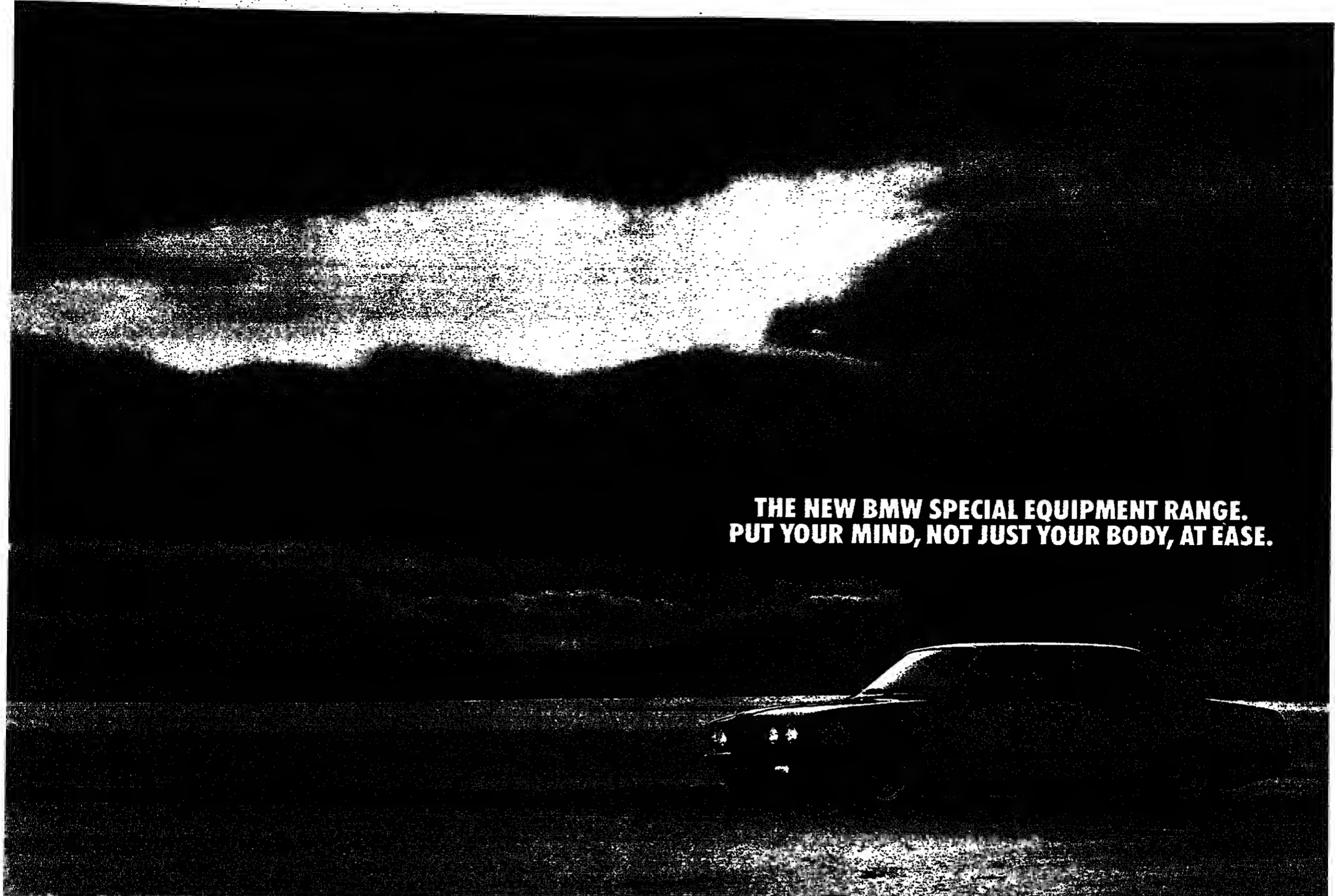
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Handwritten note: April 17 1984



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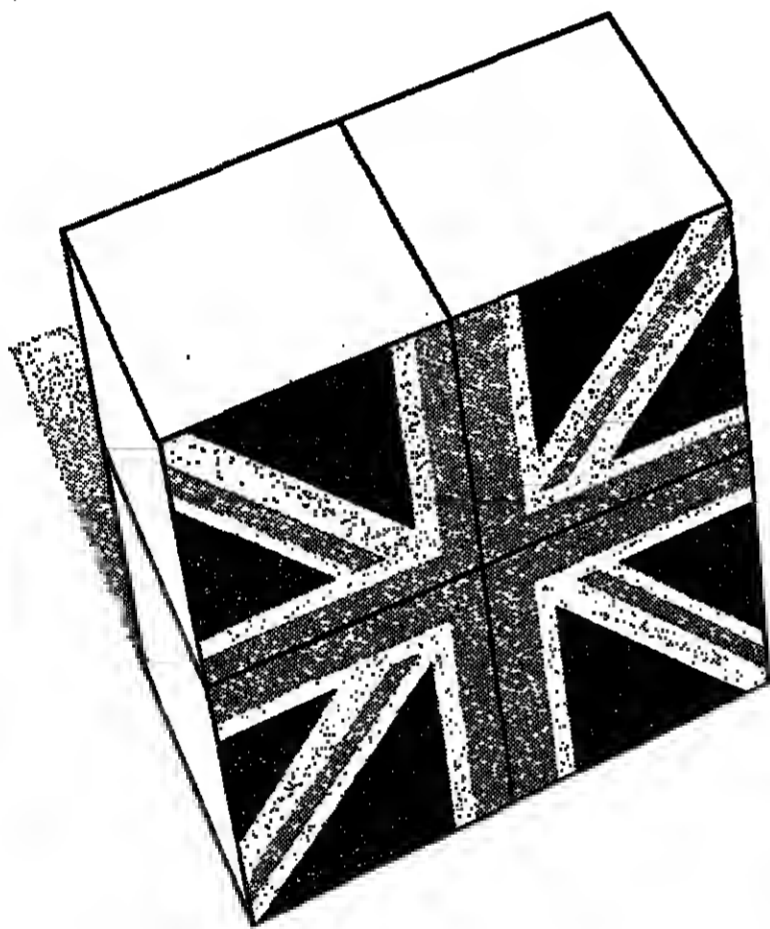
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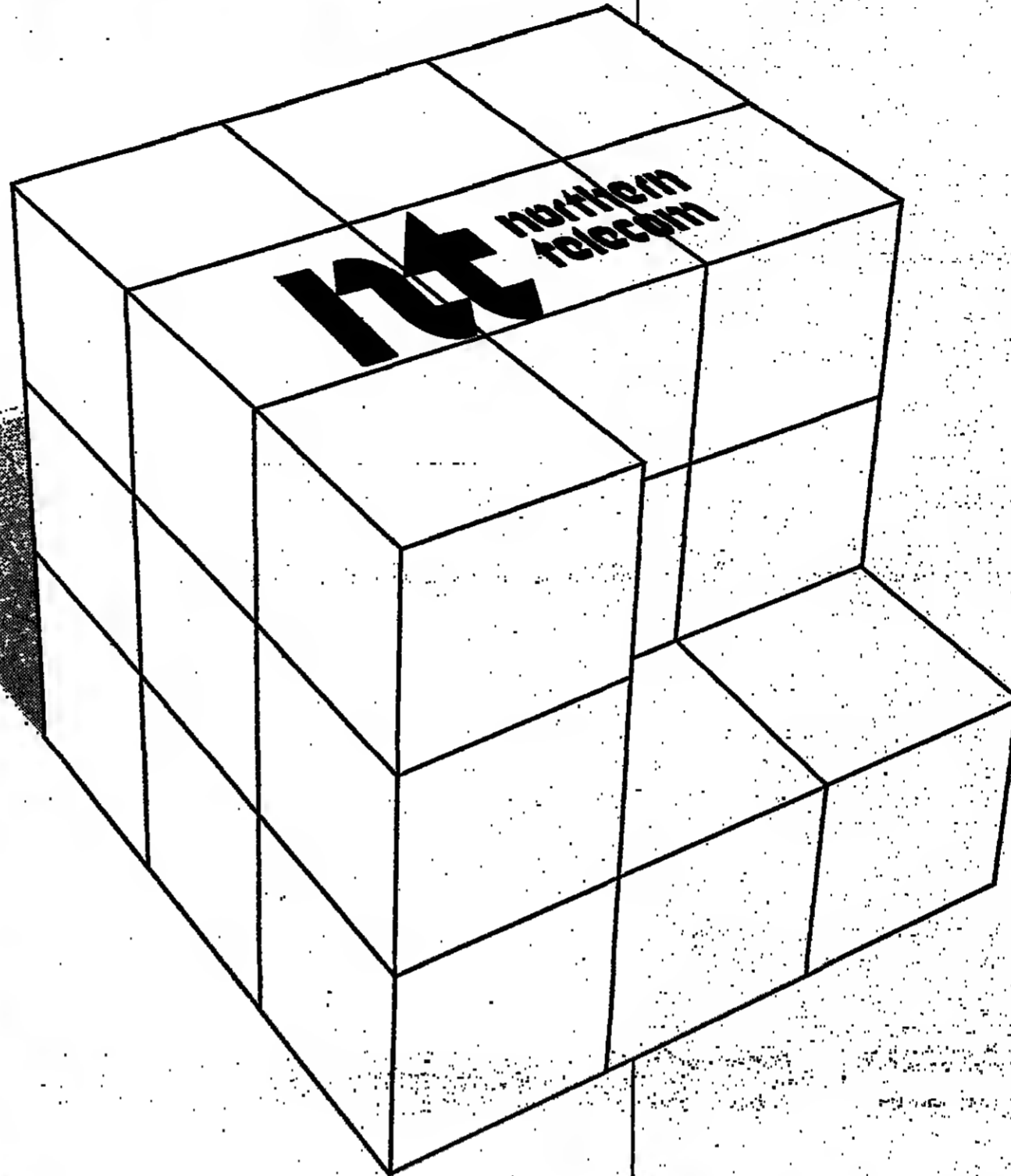
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Northern Telecom's U.K. manufacturing is being concentrated in a new 100,000-square-foot plant in Hemel Hempstead.

A data systems product development centre, for which some 100 engineers, designers, technicians, and manufacturing personnel are being hired, is located there.

Bell-Northern Research Ltd., the largest privately owned research and development organisation in Canada and one of the leading telecommunications R&D organisations in the world, is establishing a laboratory near London. It is expected to employ at least 70 engineers and support staff by the end of the first year.

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UK NEWS

# Farmers criticise EEC quotas

By Richard Mooney

BRITISH DAIRY farmers who have not increased their milk output in recent years will be among those hardest hit by the European Community's recent clampdown on dairy surpluses.

Mr Michael Jopling, Agriculture Minister, said at the weekend that the UK quota system would be based on 1983 production minus 9 per cent.

Even so, many UK producers are still far from clear about how they will be affected.

Sir Richard Butler, president of the National Farmers' Union, said after Mr Jopling's announcement that the continuing lack of information for individual producers was "a scandal," farmers were "little the wiser," and the whole system was in a "quite unacceptable mess."

He said most dairy farmers will be told in the next few days "the figures on which we mean to plan our future production."

The ministry would be in touch "later on" with producers who do not sell their milk directly to the Milk Marketing Board, the organisation which handles and wholesales much of UK dairy output.

Others are still not sure whether they constitute "special cases" and thus qualify for quota concessions. At present, special cases include those whose 1983 output was reduced by disease, destruction of feedstuffs or natural disasters.

Arguments for this definition to be widened are not expected to be discussed by the EEC dairy management committee until April 28.

EEC agriculture ministers recently agreed to impose quotas in an attempt to bring surpluses of butter and dried milk powder under control.

The ministers agreed that when quotas are operated on a farm-by-farm basis, excess output would trigger the imposition of a punitive tax equal to 75 per cent of the EEC guaranteed price for milk.

Over-production in schemes organised on a dairy basis would bring a 100 per cent levy.

The UK chose the latter option because it is easier to administer and allows more flexibility in redistributing quotas between farmers.

Since the Brussels agreement, the Ministry of Agriculture has been consulting with farmers' organisations and the Milk Marketing Board on how to distribute the UK's production allocation among individual producers.

There were three broad options: 1981 output minus 1 per cent the average of outputs in 1981, 1982 and 1983; or 1983 output minus 9 per cent. All these formulas include a reserve quantity to deal with special hardship cases.

Mr Jopling's choice of 1983 minus 9 per cent is likely to be criticised for being too generous to the British producers who contributed most to the over-production problems which have forced the EEC to impose quotas.

# AGB set for television ratings battle in U.S.

THE BRITISH company AGB Research is to seek to challenge A.C. Nielsen of the U.S. - the world's largest market research company - in measuring American television ratings.

AGB Research, which is quoted on the London Stock Exchange and claims to be the largest market research group in Europe, is to start trials this autumn in Boston of its People Meter - a computerised device which it says shows not just that the television set is switched on, but that people are actually watching.

The trials will involve 400 homes and already 12 of the top 20 U.S. advertising agencies and two of the networks, CBS and ABC, are contributing to the cost of about \$1m (£0.7m) in addition to that of the equipment.

If the test goes well, AGB says it will set up a national U.S. panel based on 5,000-7,000 metered households for less than half the \$30m a year which it claims Nielsen charges the networks for its own service based on 1,700 homes.

AGB's People Meter has already had preliminary skirmishes with Nielsen in international markets

## Raymond Snoddy reports on a British challenge to Nielsen - the world's largest market research company - on its home ground

such as Italy, Hong Kong and West Germany. "Now for the first time we are carrying the battle to Nielsen in America," Mr Bernard Audley, chairman of AGB Research, says.

With the People Meter, each member of a household has his or her own remote-control device, which is pressed at the start and finish of viewing to record the watching patterns. It is backed up by an electronic diary in which viewers record what they have seen with a light pencil applied to photo-receptors.

A computer assesses the data overnight and by 8am next morning it can be available, by viewdata, on the screens of television chiefs or advertisers.

Nielsen relies on a "black box" which reveals to which channel a set is switched. Details of audience composition come later from a panel which keeps a written record of its week's viewing.

Mr Audley claims that the People Meter gives more accurate and detailed information. "For the first time we are starting to measure the audience in the kind of detail advertisers need for proper marketing," he says.

Nielsen is unimpressed. "We have been around a long time and we are not going to go away," the company said from its corporate headquarters in Northbrook, Illinois.

It hints that the British may be underestimating the complexity of U.S. television - there are more than 8,000 cable stations, over 1,000 other stations and four time zones.

Nielsen is also not convinced that viewers will keep on pressing their buttons. But just in case, the company has already tried out its own version of a people meter in Tampa, Florida, and is installing another 150 across the U.S. for a national trial.

# Newspaper cash plea to unions

Financial Times Reporter

MR CLIVE THORNTON, chairman of Mirror Newspapers, publishers of the Daily Mirror and Sunday Mirror, said yesterday that he hoped that trade unions could raise up to £20m needed to establish a printing plant for publication of a new left-wing daily newspaper.

"They, through their banking operations, could well assist us in raising the money," he said. "It could well bring in all of it, and I see no reason why it should not."

"I would much rather raise the money this way, if it has to be raised, because they have a common interest with us in the development of printing," he added.

The idea of a new paper came after talk of the possibility of a new printing plant in Manchester. Unions would be partners in the project if they helped to raise the finance.

The Mirror group envisages a serious politically-left tabloid newspaper for which a circulation of about 500,000 copies a day "would make money," Mr Thornton said. The idea was commercially sound, "I would not do it unless it made money," he said.

Both the Daily Mirror and Sunday Mirror have traditionally supported the Labour Party in Britain. There have been strong calls within the Trades Union Congress (TUC) in recent years for the establishment of a paper dedicated to the Left to offset what they see as the right-wing bias of papers produced in Fleet Street.

Last year the TUC allocated funds for a feasibility study on the production of a national left-wing newspaper.

# Britain lags in funding for industrial research

By David Helliier

THE UK economy faces inevitable decline if exploitation of technology is not given higher priority, according to Mr Oscar Roith, a chief engineer and scientist in the Department of Trade and Industry.

He said that a comparison of seven countries had shown that, apart from Canada, Britain ranked lowest in its government support for research and development (R&D) in industry.

The British Government spent a total of \$1.1bn on R&D support to industry in 1981, compared with a total of \$0.7bn by Canada and the U.S.'s \$4.4bn contribution to research in industry.

Mr Roith said that in 1981 the U.S. spent 68 per cent of its total R&D budget on defence and space procurement, while Japan spent 7 per cent.

Spending on education and science was 52 per cent in Japan and 42 per cent in West Germany.

The U.S. and UK ranked lowest in general support for industry, spending 12 per cent and 17 per cent respectively, while Canada and Italy spent 50 per cent and 47 per cent.

Mr Roith told the Royal Society of Arts and Manufacturers that the Government had an important role

to play in sponsoring science and in creating "an environment which rewards enterprise and facilitates the acceptance and application of new technologies."

He said that the UK public was ready to accept technological change. "Unfortunately, for a variety of reasons, our institutions do not show this flexibility and it is perhaps in this area we have to address the most effort."

Mr Roith gave a warning that although international co-operation in technology was essential, governments and companies ought to tread warily. International co-operation was beneficial only when the sharing of new research was genuine and wholehearted, he said.

Mr Roith said that for the UK successfully to recognise the growing importance of technology, the Government would have to take account of:

- The need to be aware of the influence of science and technology on government policies at national and international levels;
- The need for a change in attitude in favour of technology, starting within the education system;
- More government consideration in important technological decisions;
- The need for a balance between wealth creation, international competitiveness, safety, environmental protection and resource conservation.

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## TECHNOLOGY

CANDU NUCLEAR REACTORS FACE COSTLY REPAIRS

## Why pressure tubes are cracking up

BY DAVID FISHLOCK, SCIENCE EDITOR

ONTARIO Hydro, Canada's premier electricity company, announced last month that the pressure tubes in Canada's first two commercial Candu reactors are to be replaced, at a cost to the utility of C\$736m, including the cost of replacing their low-cost power over the next three years.

The pressure tube—in effect, a long, slender pressure vessel—is one of the most critical components in this type of reactor. The decision to replace 390 pressure tubes to each reactor follows the discovery last summer of a crack about 1 metres long in one tube in Pickering unit 2.

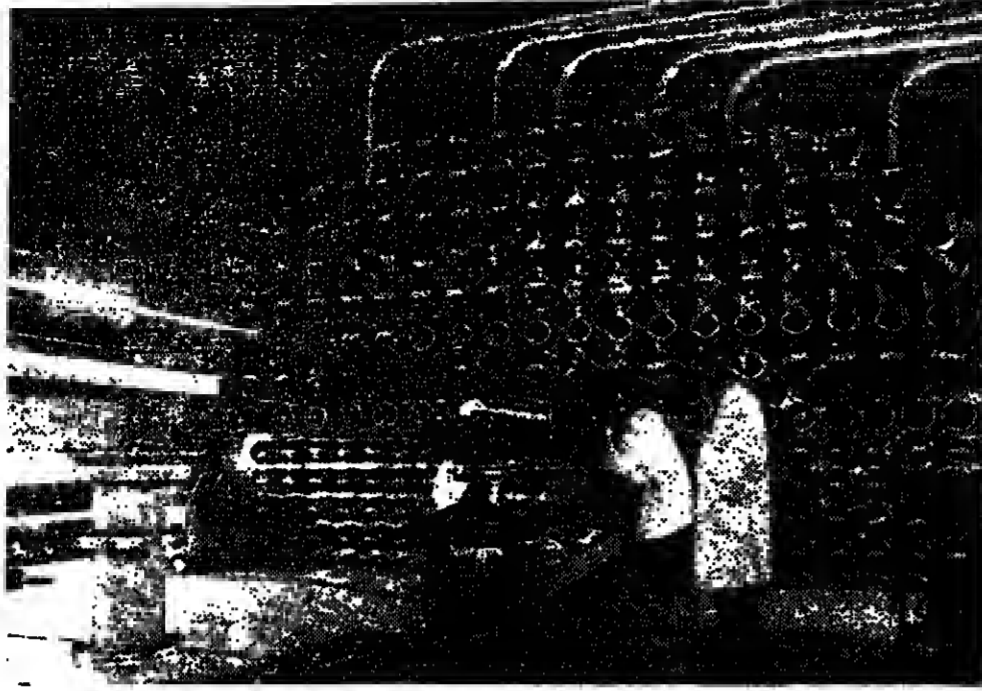
Initial hopes that the huge rupture might prove to be an isolated failure of quality control on the part of Atomic Energy of Canada Limited (AECL), the state-owned company which designed and built the nuclear steam supply systems, were soon dashed. Analysis by AECL at its Chalk River laboratories suggested that the material used for the pressure tubes of the first two of the Pickering station's four reactors, Zircaloy-2, was unduly susceptible to embrittlement by hydrogen.

Other factors, notably that the pressure tube had sagged enough by the mid-1970s to come into contact with the surrounding calandria, increased the susceptibility of the tube that failed. A line of blisters of solid zirconium hydride was found to be the start of the crack.

Both AECL and Ontario Hydro are anxious to stress that the tube replacement operation concerns only the first two of the commercial Candu reactors. Later models, including another six units at the Pickering station near Toronto, and eight more at the Bruce station, are tubed with a zirconium-niobium alloy, less susceptible to embrittlement. Retubing will be done with this alloy, first adopted in 1967.

AECL always assumed in its reactor design that the pressure tube might fail, although not catastrophically. It assumed that a tube would leak before breaking, giving ample warning to operators. It designed the reactor so that a leaking tube could be replaced.

In fact, the leak was a "fast fracture," so large that heavy water coolant poured from the pressure tube at the rate of



Inserting a horizontal pressure tube in a Candu reactor

17kg per second, and escaped from the fuel channel through failures in bellows at each end.

But AECL had demonstrated in the 1960s on the experimental NPD version of Candu, that they could "quite easily change pressure tubes," says Mr Lorne McConnell, a vice-president of Ontario Hydro. Mr McConnell, one of the pioneers of Canadian nuclear power, was himself station manager of the NPD before joining Ontario in 1960.

Now McConnell, in charge of supply and services for Ontario, has also been made co-ordinator of a joint project with AECL to weigh the longer-term implications of the failure for Candu reactors.

For Ontario, the choice lay between replacing the cracked tube and others found by TV inspection to be blistered, and soldiering on for a few more years, then completely retubing these two reactors, or retubing the reactors now, says McConnell. But the utility knows that if it partly retubed now, the Government's nuclear inspectors would restrict output to 80 per cent of design output.

The Candu reactors have demonstrated exceptionally good performance compared with other thermal generation

systems, including rival reactors. "They are so damned cheap, it really shows up when you have to burn coal in lieu," McConnell says. The Ontario board finally decided last month to retube the reactors now and restore them to full power, virtually as new reactors, by late 1986-87.

Another factor in that decision is that when tubes do fail—and Ontario has so far replaced about 70 pressure tubes in its Candu reactors—it takes about three months to replace them. The engineers estimate that as many as one-third of the tubes in the two shut-down reactors may have sagged into contact with the calandria, and thus be ripe for failure.

Ontario's chairman, Mr Milan Nestich, says that when more than about 50 tubes have to be replaced, as seems likely, it makes more sense to tool up for wholesale replacement by remotely controlled means. The plan is to start replacement using the proven semi-automatic method, but switch as soon as possible to robot methods, still being intensively developed with AECL. By these means the operation will be done from outside the reactor hall.

From the standpoint of radiation dosage for maintenance staff, Mr Nestich says the two reactors will have been shut down for long enough to present comparatively few problems for the semi-automatic method but further decontamination will first be done. This autumn the heavy water in the reactors will be drained and the reactors flushed to remove traces of tritium.

By 1985, they should be ready to start replacing tubes, Mr McConnell says. He hopes to have the first retubed Candu back on-load by July 1986.

AECL, although not party to the retubing decision, has a keen interest not only as Candu's designer but as Ontario's partner in the first two Pickering units. For these two alone, it participated as the federal government's shareholder in a three-way split of costs with the utility and the Ontario Government.

The partners agreed to share operating profits for these two reactors, worked out by a formula based on a comparison with Ontario's Lambton coal-fired units of the same size and built at the same time. The deal has been worth about C\$30m a year to AECL in recent years.

## History lessons for the video disc

HISTORY has a habit of repeating itself. With RCA having just announced its withdrawal from video disc player manufacture, some may recall that we have been here before—in fact, in 1979 when the Telefunken video disc system went into a decline for reasons not greatly different from those confronting RCA.

Even in 1981 RCA had an uncertain future. The short history of this business has demonstrated that superior technology will outlive the simplest systems. RCA's mechanical CED system is indeed simple compared to the optical LaserVision disc. And, indeed, Telefunken's mechanical system was even simpler alongside RCA's, as was the world's first television system (again mechanical) demonstrated by Baird and quickly superseded by EMI's electronic technology.

In the face of a thriving market in videocassette recorders, RCA—like Telefunken in the 1970s—only stood a chance if its programme material was as cheap and so different as to offer real consumer benefits alongside the VCR. Or, as this column also noted in 1981, "the public will buy video disc players only when they discover the unique nature of these systems, which herald a medium as different from television as the word processor is to the rubber stamp."

Too late, perhaps, RCA began to discover the probability of having a technology not really capable of exploiting the video disc as can its LaserVision and VED rivals. If a consumer product has no perceivable benefits over others which perform the same job the marketing men have clearly got an uphill task.

In the case of the RCA disc system, in the absence of a sophisticated interactive facility—and programs to go with it—only price could offer attractions to the consumer. And this certainly was an angle pursued ruthlessly by RCA, with CED discs in the U.S. selling for only \$19.98 against LaserVision's \$29.95 and a typical pre-recorded videocassette at \$9.95.

In the UK, however, RCA could not have been cheered by the Philips' decision to

reduce its cheapest LaserVision player to £229, just £30 above the Hitachi version of RCA's system.

The gloom about future prospects for the video disc has been seldom deeper, heightened not only by RCA's decision but general views of the retail trade both in UK and the U.S.

Yet the despair may be still ill-founded. Although Hitachi says that it intends to continue to sell CED players in the UK, the video disc market has now virtually settled down into a two-cornered contest—viz. between VED and LaserVision.

With JVC and Thorn EMI behind VED, and Philips, Pioneer and Sony supporting LaserVision, at least one com-

mon factor is now emerging. They all seem to agree, at last, that the availability of a different kind of programming is essential for the success of video discs.

Unfortunately RCA confused this philosophy at first by achieving some success in the early sales of movies on discs—and by building up an impressive catalogue of Hollywood films. But as dealers in the U.S. have found to their cost, a substantial player base is needed to support disc turnover—and the greatest loyalty in player purchase comes from those who recognise the very virtues which have not been promoted.

Thus LaserVision is firmly establishing itself in the educational and industrial market. Numerous networks exist in the U.S. (and at least three magazines on the subject). In the UK, IBM is installing a network of LaserVision players at computer dealers. Mothercare has done likewise in retail shops. MediaDisc has equipped leading advertising agencies, and Lloyd's Bank has decided to use the same technology as a company video network. The Open University likewise seems cer-

tain to adopt video discs as a way of distributing programmes to students.

With the technology thus establishing a firm and dependable base in the less fickle areas of education and industry, the real virtues of the video disc may start to spill back into the consumer market. One example of this comes in a joint Philips and BBC Video project for parents—a laser disc on the subject *Helping Your Child to Read*. Perhaps not coincidentally, this has been produced by the BBC Open University, and it underlines the point that the disc may have more in common with the book than with television.

Such a programme, through which parents can take a child step by step, is just the kind of thing needed to open the eyes of the consumer.

Interacting video, and moving picture programmes which the viewer can control in non-linear sequences—such as flicking through a picture book—can still put the video disc into the consumer leagues tables. At last Philips recognises this and plans many more programmes of this type as well as doubling the current titles range of £20 before the end of the year.

The video disc player can and probably will co-exist with the VCR, a complementary consumer product. The bigger unresolved question now, with RCA out of the way, is whether there is room for two rival systems—viz. LaserVision and VED.

Although the latter—an electro-capacitance system—has made great technical strides since its introduction in the long term it cannot match the development potential of the optical technology. Yet JVC has the support of Thorn EMI in their VED system, and that support carries a very strong expertise in programme making. Philips has very little creative input to back up their programme efforts and has just lost a key executive to Thorn EMI—Mr Paul Bradley, who was the sole UK Philips' man experienced in interactive disc projects.

If all begins to shape up for a final battle not over hardware, but programming. The system which can put the most resources, skill and creative innovation into video disc programming may well turn out to be the survivor.

## Video &amp; Film

By JOHN CHITCOCK

Look at Lovell  
FOR CONSTRUCTION

## Integration

## Voice and data

ICL AND the Edinburgh Regional Computing Centre (ERCC) have joined forces in a £200,000 project to evaluate standards for the integration of voice and data across various kinds of network.

The project will run for two years and is being part-funded by the Department of Trade and Industry (DTI). A major part of the study will be to produce material for draft standards and exhaustively test agreed standards for "open systems interconnection" as defined by the "intercept" strategy of the DTI.

A mixed high speed local area network will be established at Edinburgh University so that in-depth leading performance and analysis can be conducted. The network will be based on ICL's 10 megabit per second open systems LAN (local area network) and will contain ICL mainframe computers, DEC VAX machines, an ICL telephone exchange, a prototype voice server to digitise voice messages, and a laser printer. More on 01-785 7272.

## Computers

## Polaroid's entry

POLAROID, the instant photography company, is entering the personal computer market by selling Digital Equipment products. Both companies will jointly market the Rainbow personal computer, Polaroid's palette computer image recorder, and compatible software.

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**APPOINTMENTS**

**Changes at Neepsend**

Mr Stanley L. Speight, chairman of NEEPSEND has relinquished part of his duties to Mr Frank B. Wright who becomes managing director. Mr Speight will continue as executive chairman until March 31 1985 when he hopes to relinquish full-time executive duties. Mr Wright has been a main board director since April 1979. There have also been changes at Neepsend's wholly-owned subsidiaries, Slack, Sellers and Co and Rotobroach. Mr Jack Clift, who joined the former on January 1, has been appointed director and general manager in succession to Mr A. T. Carter, who has retired. Mr Ralph Stych has joined Rotobroach and will assume duties of director and general manager on July 1. Mr D. F. Birt, the present director and general manager is due to retire in 1986.

COUNTY BANK has made the following appointments: at County Bank Investment Management, Mr Jonathan Cohen becomes a non-executive director. Mr Paul Allen, Ms Angela Richardson-Bunbury and Mr Roger Todd, directors. At CB International Investments Mr Barry Melton has been appointed a director.

Semperit AG, the Austrian-based group, has appointed Mr Frank S. Welton as managing director SEMPERT (UK). Mr Welton joined in 1981 as director, tyre division.

Mr Peter Beaumont has been appointed managing director of COLT CAR COMPANY. He previously held the position of divisional managing director of the company for eight months up to August 1983.

Mr P. F. Earlam has been appointed to the board of ITALIAN GENERAL SHIPPING. He was with Elder Dempster Lines and chief executive of the UK/West Africa Lines. Italian General Shipping is part of Finmare-IRI Group.

INDEPENDENT COMPUTER ENGINEERING has appointed Mr Brian Johnson as executive chairman. He was managing director of N.M.W. Computers.

Three board appointments have been made by PARNALL & SONS. Mr Brian C. Tanner, who is appointed financial director, joined Parnalls in March 1983 after having previously been employed by Bath & Portland Group. Mr Tanner, who is also company secretary, retains responsibility for administrative affairs. Mr Ralph Griffiths has become director, George Parnall division, and Mr Robert G. Morris director of Tansad. Parnall & Sons is part of the General Electric Co.

**CONTRACTS**

**Marconi wins £10m radio order**

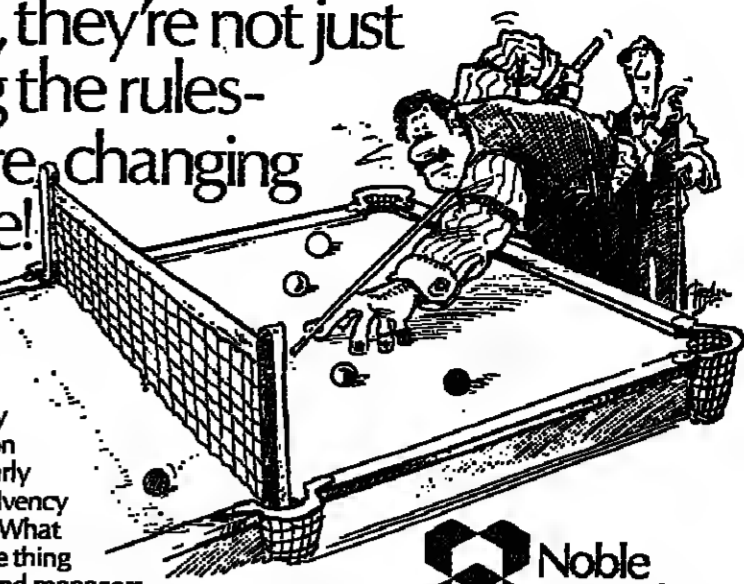
MARCONI COMMUNICATION SYSTEMS of Chelmsford has been selected to supply a complete radio communication system worth U.S.\$18m (£10m) to the U.S. Navy. The contract covers delivery of radio equipment for the LHD-1, the first of a new class of amphibious landing assault ships under construction by Litton Systems Inc. The equipment will be a version of the ICS radios which have been fitted in 41 ships including those of the Royal Navy, Royal

Netherlands Navy and Greek Navy.

MODERN ENGINEERING (BRISTOL) is supplying and erecting structural steelwork for an £800,000 steel project for British Nuclear Fuels at Sellafield, Cumbria. The project, for B215 Reprocessor C Complex, comprises over 800 tonnes of fabricated treated steelwork, and is due for completion by the end

of the year. A £350,000 order has been placed for the erection of a power store for Dairy Crest at Davidstow, Cornwall, involving about 400 tonnes of fabricated steelwork. Finally, the company is supplying and erecting over 200 tonnes of structural steelwork, worth £175,000, for the refurbishment of the Odeon Cinema, Bristol. Modern Engineering (Bristol) is a wholly-owned subsidiary of Modern Engineers of Bristol (Holdings).

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THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

The recycling of Peterlee

Tim Dickson chronicles a wallpaper company's route to the USM

INVESTORS will have an opportunity soon to buy shares in the Morris Singer Foundry, noted for its famous castings for such internationally-renowned sculptors as Henry Moore, Jacob Epstein and Barbara Hepworth.



Trevor Barker: masterminded the merger

The story of County Durham-based Peterlee Wallpaper is in many ways an eloquent commentary on how the recession has forced vast chunks of British industry to cut back overheads, improve designs and sharpen up marketing.

Redundancy money

Significant sums of redundancy money were thrown into the kitty, financial support was secured from two major customers reluctant to see their supplies cut off.

Peterlee's achievements since then have been impressive to say the least. Starting with 16 of the 108 who were made redundant, the workforce is now back up to around 65; the factory (which is now owned, not leased, and which has taken over a neighbouring unit) operates three shifts a day, seven days a week, and profits have leapt from £35,000 in year

one to around £350,000 for calendar 1983.

A key figure in Peterlee's revival is 39-year-old managing director Tony Garrett, a design and marketing expert who was hired right from the beginning and who has been responsible for the day-to-day running of the business.

Garrett's twin strategies have been the familiar ones of keeping costs under tight control and (crucially) identifying a specific sector of the market and then attacking it.

"When we started many other companies seemed to be moving into co-ordinated collections and fabrics but we saw our opportunity at the lower end of the market. We felt that one or two areas were being badly neglected and that if we redesigned our products so that they looked nice as well as giving good value for money we were likely to do well. There is no reason why cheap products should look cheap."

Concentrating particularly on kitchen and bathroom designs and offering keen prices to hit the competition hard, Peterlee managed to turn out the same number of rolls in its first year as the original factory had done under its previous owners—but using just 20 per cent of the workforce. "We have had to be very cost conscious," comments Gar-

rett. "Originally I did most of the design work and selling myself. It wasn't just one man for one job, it's been one man for three or four jobs."

Significantly, Peterlee has pursued a broad range of independent retailers and independent merchandisers throughout the country to get its products to the end user. We could have gone for really big volumes and signed up with the big multiples," explains Garrett, "but we did that in the old days and found that when you have all your eggs in a couple of baskets you eventually get squeezed on price."

No Peterlee customer accounts for more than 7 per cent of sales and there are now 250 of them as far afield as Scotland and Cornwall.

If the company now has a good spread of outlets, its sales are nevertheless dependent on one major product range (6m rolls are planned for the current financial year). The recent merger with Morris Singer is expected to be of benefit here by introducing new designers to Peterlee; a new collection is already planned for launch in June. Garrett, however, cautions that expansion will be controlled. "We will look carefully for a gap and then try to exploit it better than everybody else."

The key architect of the merger and forthcoming flotation, meanwhile, is Trevor Barker, a former accountant-turned-businessman who also chairs the John Crowther Group of Huddersfield. Barker came into Peterlee early on at the suggestion of a fellow investor, and encouraged several private investors—including an elderly widow and a retired director of ICI—to join him in putting up capital.

A key factor in persuading them to subscribe for shares was the then Business Start-up scheme, since superseded by the Business Expansion scheme. Ironically these individuals never got the anticipated reliefs because they sold out last year to Barker and his private investors. Barker's year qualification period was up for eight times what they paid.

Barker later opened discussion with Hanover Grand, owners of the 130-year-old Morris Singer. This led to Peterlee, which is now bigger than Morris Singer, "reversing" into the foundry company earlier this year, paving the way for this month's debut on the USM. (The vehicle for the quotation will be Ceylon and Indian Plants Holdings, a shell company listed under Rule 163 (2). Its name will then be changed to William Morris Fine Arts.)

THE Co-operative Research Unit at the Open University has been awarded a £76,700 research grant to study the Levenshulme Trust to study the effectiveness of worker co-operatives in the UK. Three or four new co-operatives are formed each week and the total increased from 73 in 1977 to more than 700 last year.

Family link

Although the two operations will be run separately from a joint head office, Barker expects benefits of the merger to include better designs and better image at Peterlee, plus greater values and better administration at Morris Singer.

In view of the William Morris exhibition currently running at the Institute of Contemporary Arts in London, the timing of the issue looks perfect. But though the William Morris who merged with John Webb Singer's original business in the 1930s claimed descent from the great 19th-century decorator, poet and socialist, nobody today is sufficiently confident of his claim to promote the family link too ostentatiously.

But with all the great man's designs now out of copyright there is a temptation to let the name about using his name for the company.

In brief...

BERKSHIRE Enterprise Agency has launched a special "industrial lodgers" scheme in an effort to overcome an acute shortage of accommodation for startups. While a recent survey showed that more than 2m sq ft of offices and almost 6m sq ft of industrial and warehousing space were vacant in the county most of it is too expensive for small businesses or available only in large quantities.

The Agency's new plan is to find existing firms prepared to offer a home to a small firm as a type of "industrial lodger." Explains director Roy Hale: "Any arrangement would be on a short-term basis so that the owner could regain possession of the space as quickly as needed. The Berkshire Enterprise Agency would also advise on the type of agreement required."

The Agency has already received several inquiries from would-be tenants but wants to hear from more companies with space available. At least one lodger has found a home. Details from Roy Hale on Reading 585715.

THE Government's Loan Guarantee Scheme should be reformed, says the Confederation of British Industry.

"It would be a severe shock for small firms... if the whole idea of this new and experimental form of lending was jettisoned next month when your review is completed," Alan Stote, chairman of the CBI's Smaller Firms Council, argues in a letter to Norman Tebbit, the Secretary of State for Trade and Industry.

State says the scheme has been "a relatively cheap form of job creation" but adds that there should be a "delicate rebalancing" of the terms. Given that the scheme had started in the depths of the recession, it is not surprising that it has been extensive.

Venture capital

The limited appeal of taking funds offshore

VENTURE capitalists are in business to track down other people who are good investors and good operators. They do not offer pioneer anything new themselves. Managed Technology Investors (MTI), however, a relatively recent and little publicised UK venture capital fund which yesterday announced its first investment, appears to have achieved an important breakthrough.

For, unlike the vast majority of UK orientated venture capital funds, which are typically registered as companies in offshore tax havens such as the Channel Islands and Bermuda, MTI has taken the unusual step of setting itself up as a UK limited partnership. Launched last year, MTI boasts just three full-time executives at the moment. But its include a leading merchant bank, Morgan Grenfell, the mighty Prudential Assurance and PA International Consulting Services. Earlier this year it managed to attract several million pounds and increased funds under management from £5.6m to £9.1m without having made a single investment.

Dr Paul Castle, the chief executive, claims that the limited partnership structure is a "first" for a UK venture capital fund like MTI. More significantly, he believes that the set-up gives MTI several advantages over those which have decided to base themselves offshore, since it is less costly, less cumbersome, and (importantly) more "visible" for institutional investors and investee companies alike.

"Venture capitalists in the United States, where state laws are adaptable to their needs, have long been familiar with the limited partnership structure. Typically a U.S. fund consists of a number of limited partners comprising institutional or private investors who supply the capital but whose liability is restricted to what they put up, and general partners who have unlimited liability but who are responsible for investing the money and monitoring companies in the portfolio.

In Britain, the relevant law is embodied in the 1907 Limited Partners Act, which is archaic, complex and seldom used by lawyers. As Castle

points out: "The people who drew it up certainly didn't have investment vehicles in mind. And the investor solicitor today is not familiar with the concept having probably studied it for just five minutes as part of his law degree."

Judging by MTI's experience, it would appear that closer inspection could pay handsome dividends. Besides enjoying the advantage of limited liability, Castle points out that limited partners are more lightly taxed than investors in UK investment companies. "They are tax transparent," he explains. In other words, all income and capital gains derived by the fund are passed to the limited partners. By contrast, UK-registered investment companies would have to pay capital gains tax before passing the fund's profits to investors—who would themselves then be subject to their own tax liability. It is precisely because of this "double taxation" that most of MTI's rivals have gone offshore where tax regimes are less penal.

Majority stakes

Castle says he also likes limited partnerships because they can take majority stakes in businesses without running into the problems faced by investment companies (namely consolidation and aggregation of subsidiaries for tax purposes). MTI intends to take advantage of this and will on occasions own more than 50 per cent of portfolio companies in pursuit of its avowed "hands-on" investment management style.

He also points out that limited partners are barred by law from interfering in the management of the fund—which makes things easier for the general partners. Indeed, many U.S. venture capitalists maintain that this restriction on investors enabled many funds there to weather a poor climate in the early and mid-1970s. As a result, when some significant investment successes began to emerge towards the end of the decade new life was breathed into the venture capital industry.

Developing the limited part-

nership concept in the UK has not been without its headaches. The biggest drawback is that many pension funds and other potential investors are specifically excluded in their trust deeds from entering into a partnership. Moreover, the 1907 Act limits the number of partners in a limited partnership to a maximum of 20—a major restriction for pension funds; trustees are nominated individuals rather than corporate trustees.

MTI has skillfully got round both these difficulties by setting up an Exempt Unit Trust and making it a single partner of the fund. As a result an extra £2m has been injected into the fund as part of the second financing this year. (Unit trusts do not, of course, pay capital gains tax.)

According to Castle the only disadvantage now is that the early tax losses which inevitably will arise in the partnership cannot be passed back to the investors. "This just means that we have to be very efficient with our running costs," he says. "But if all goes well it should be insignificant compared with the ultimate capital gains."

MTI's investors will obviously be hoping that the fund has got off to a good start with Fixit (Adhesives), a British company which has developed a process for the manufacture of double-sided adhesive tape. MTI has injected £300,000 for a majority stake and Dr Colin Wall, an executive manager of MTI, has become the company's chairman and is in charge of the fund's "proactive" style. Joe Gormley, a chemical and marine engineer with experience in big companies such as Blue Circle and Hawker Siddeley, has been hired as chief executive.

Tim Dickson

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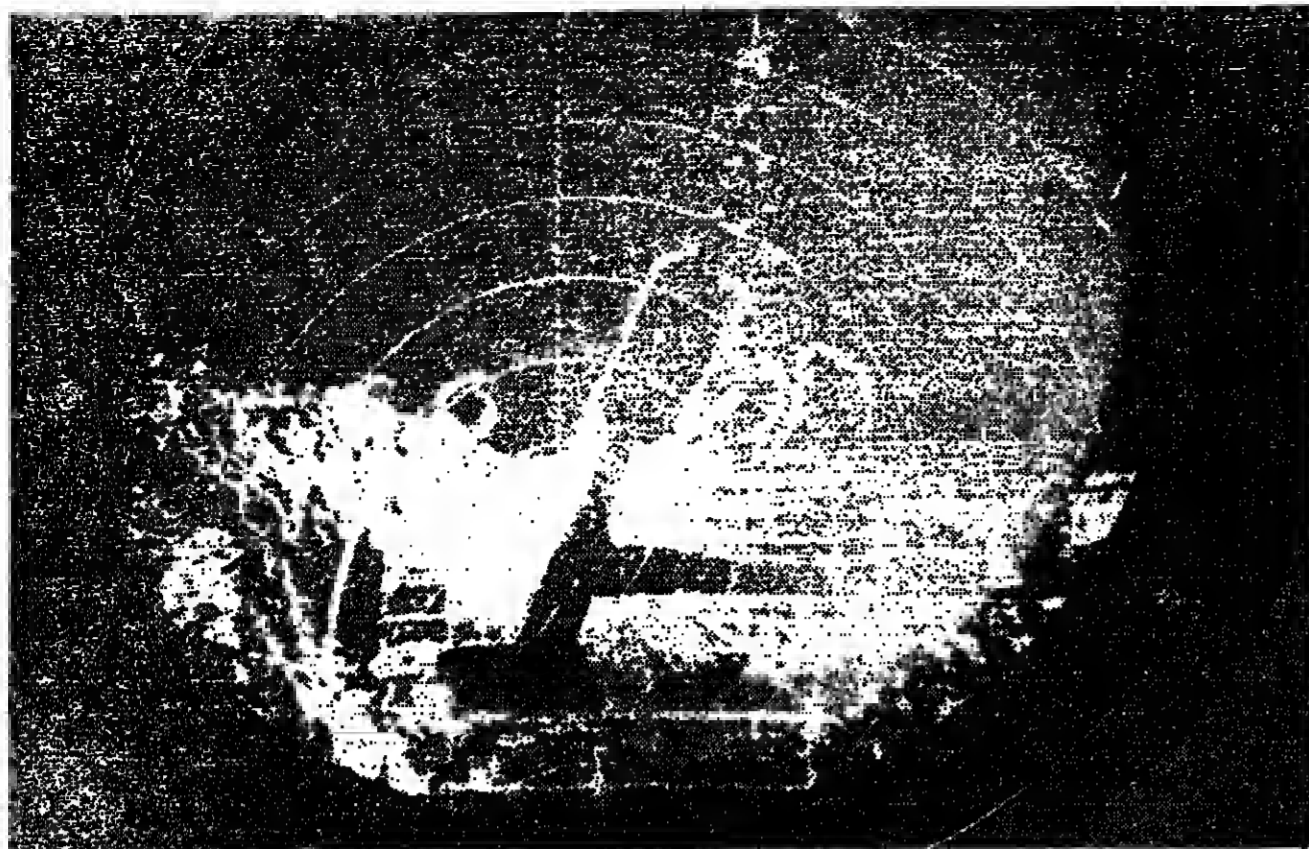
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# FT COMMERCIAL LAW REPORTS

## Embassy account immune from execution

ALCOM LTD v REPUBLIC OF COLOMBIA AND OTHERS

House of Lords (Lord Diplock, Lord Fraser of Tullybelton, Lord Roskill, Lord Keith of Kinkaid and Lord Templeman) April 12 1984

A UK bank account maintained by a foreign embassy for the purpose of meeting its day-to-day running expenses, is immune from proceedings to enforce the embassy's judgment debt.

The House of Lords so held when allowing an appeal by the Republic of Colombia and others from a Court of Appeal decision to freeze its London embassy's bank account pending payment of a judgment debt owed by the embassy to Alcom Ltd.

Section 3 of the State Immunity Act 1978 provides: "(1) A state is not immune as respects proceedings relating to (a) a commercial transaction . . . (3) In this section 'commercial transaction' means (a) any contract for the supply of goods or services . . . (c) any other transaction . . . otherwise than in the exercise of sovereign authority."

Section 13: ". . . (2) . . . (b) the property of a state shall not be subject to any process for the enforcement of a judgment . . . (4) Subsection (2) . . . (b) above does not prevent the issue of a writ in respect of property which is for the time being in use or intended for use for commercial purposes . . ."

Section 17: "Commercial purposes" means purposes of such transactions or activities as are mentioned in section 3 (3) above."

LORD DIPLOCK said that the Colombian diplomatic mission in the UK maintained an account at the London branch of a commercial bank, on which it drew for its day-to-day running expenses.

The question in the present appeal was whether the English court had jurisdiction to grant a writ of attachment of the account to satisfy a judgment debt.

Under Order 49 of the Rules of the Supreme Court a garnishee order operated in respect of a bank account to the extent of the specified amount. The grant of the order could gravely hamper and might temporarily prevent the day-to-day running of the diplomatic mission.

International law drew a distinction between claims arising out of a state's exercise of its sovereign authority (*jure imperii*), and those arising out of transactions which might be undertaken by private individuals (*jure gestionis*).

Under the "restrictive" theory of sovereign immunity, the jurisdiction of national courts was exercised by foreign states in claims against them

that arose out of commercial transactions into which they had entered with private individuals.

Treasury Trading v Central Bank of Nigeria [1977] 2 QB 229 marked the definitive adoption of the restrictive theory by the English common law. The revised common law received the seal of approval from the House of Lords in *I Congreso* [1983] 1 AC 244.

So the distinction drawn by existing law, common law, and public international law alike, was between what a state did in the exercise of its sovereign authority and what it did in the course of commercial or trading activities. The former enjoyed immunity. The latter did not.

The functions of a diplomatic mission recognised in public international law were set out in article 3 of the Vienna Convention on Diplomatic Relations 1961. The judgment of the sending state, protecting the interests of its nationals within the receiving state, and promoting friendly relations.

Article 25 of the Convention provided that the mission should "accord full facilities for the performance of the functions of the mission."

Transposed into its negative form, the receiving state must accord such facilities as to obstruct the mission in carrying out its functions.

In the *Philippine Republic case* December 13 1977, the German Constitutional Court rejected a judgment creditor's claim to disburse on the bank account which the Philippine mission maintained for its day-to-day running expenses. That case was closely paralleled to the present, and the German court's reasoning was wholly convincing.

The State Immunity Act 1978 did not adopt the straightforward dichotomy between *acta jure imperii* and *acta jure gestionis* which had become a familiar doctrine in public international law.

Instead it restated in statutory form the general principle of absolute sovereign immunity, but made it subject to wide-reaching exceptions.

In creating these exceptions, the Act drew a clear distinction between the courts' adjudicative jurisdiction and their enforcement jurisdiction. Section 13 (3) made it clear that voluntary submission by a foreign state to the adjudicative jurisdiction did not of itself imply submission to the enforcement jurisdiction.

The consent to that was needed. Alcom relied on the definition

of "commercial transaction" in section 3(3), as subjecting the embassy's bank account to the enforcement jurisdiction of the High Court.

The question was whether the debt fell within the Section 13 (4) description of "property which is . . . in use or intended for use for commercial purposes."

The "commercial purposes" were its ordinary and natural meaning; in that context, a debt representing the mission's credit balance in a current account used for meeting day-to-day running expenses would fall outside the subsection.

Section 17(1), however, gave "commercial purposes" an extended meaning which took one back to the comprehensive definition of "commercial transaction" in section 3(3). Paragraph (a) referred to any contract for the supply of goods or services. Paragraph (c) specifically preserved immunity from adjudicative jurisdiction in respect of transactions other than those referred to in (a) or (b). The appeal was not concerned with (b).

The decisive question was whether, in the context of the other provisions of the Act and against its public international law background, the words "property which is . . . in use or intended for use for commercial purposes" in section 13(4), which appeared as an exception to a general immunity to the courts' enforcement jurisdiction, were apt to describe the debt represented by the credit balance of a current account kept with a commercial banker for the purpose of meeting expenditure incurred in the day-to-day running of a diplomatic mission.

Such expenditure would, no doubt, include some monies due under contract for the supply of goods or services to the mission. But the account would also be drawn upon to meet many other items of expenditure which fell outside even the extended definition of "commercial purposes" in section 17(1) and section 3(3) provided.

The debt owed by the bank to the foreign sovereign state, and represented by the credit balance, as a possible subject-matter of the courts' enforcement jurisdiction, was one and indivisible.

It was not susceptible of adjudicative dissection, into the various uses to which monies drawn on it might be put.

Unless it could be shown by the judgment creditor who was

seeking to attach the credit balance by garnishee proceedings that the account was earmarked solely for "commercial" transactions, it could not sensibly be brought within the exception for which section 13(4) provided.

The onus of proving that the credit balance fell within the exception lay on the judgment creditor. By section 13(6) of the Act the head of the mission's certificate that property was not in use or intended for use for commercial purposes was sufficient evidence of that fact, unless the contrary was proved.

In the present case, the Colombian ambassador certified that the funds were "not in use or intended for use for commercial purposes but only to meet the expenditure necessarily incurred in the day-to-day running of the diplomatic mission."

For these reasons given, that certificate was conclusive that the bank account fell outside section 13(4). The Republic of Colombia was therefore entitled to succeed in the appeal.

Lord Fraser, Lord Keith, Lord Roskill and Lord Templeman agreed.

For Alcom: Richard Slove (William T. Stokler).

For the embassy: Anthony Thompson QC and Timothy Salmon (Roderic Hatfield and Co).  
Amicus curiae: Simon J. D. Brown and Professor Rosalyn Higgins (Director of Public Prosecutions).

By Rachel Davies Barrister

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Mr. Benfield will remain a substantial shareholder of both Companies and will still serve the Companies in the capacity of Non-Executive Director and of Consultant to the Companies. He will also continue to serve the Group in promoting and servicing their overseas business.

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## Letters to the Editor

### Investment in U.K. industry

From Mr D. R. Glynn  
Sir, — Could I make three comments on Mr Kaletsky's interesting article (April 11)?

1—He says that "the amount of capital required to produce a single unit of output is much higher in Britain than it is in other countries. This suggests that British businesses are just as inefficient in the way they employ their capital as their labour." Not really: output is produced by a mixture of labour and capital, and such comparisons cannot tell us whether "labour" or "capital" is being used inefficiently in the production process.

2—The argument that reducing investment incentives will reduce unemployment by encouraging relatively labour intensive production is probably not consistent with the idea—now used in the Chancellor's Budget speech but accepted by

some of his supporters—that we may be close to a NAIRU (non-accelerating-inflation rate of unemployment) determined by labour markets.

If a reduction in unemployment by means of more labour-intensive methods of production can be achieved without causing inflation, should not the same be true of a reduction in unemployment resulting from faster economic growth?

3—The Chancellor's argument that UK profitability has been low because the tax system has encouraged low-yielding investment must be very partial. Other relevant factors have included the rate of cost inflation, the exchange rate, and the recession.

**D. R. Glynn,**  
Chief Economist,  
Fent Marwick Mitchell & Co.,  
1, Puddle Dock, EC4.

**From Mr David Brooks**  
Sir, — Mr Kaletsky (April 11) shows the UK to be over-capitalised compared with other nations measured by capital per unit of output and plant per worker.

This is no surprise to anyone who has understood corporate tax from Barber to Lawson, throughout which period no Chancellor seems to have understood that it is not the tools which matter so much as the efficiency with which they are used.

Corporation tax, especially for proprietary companies, is a tax on efficiency in that the harder the company works and the more efficient and frugal it is the more tax it pays. Corporation tax should be called Efficiency Tax (ET).

We stopped voting Conservative when Messrs Heath and Barber increased ET overnight by 25 per cent from 40 per cent to 50 per cent. However, subsequently, with capital allowed

Company	Gross fixed assets	net fixed assets	net as % of gross
Dow	58,000	50,000	86
BP Chemicals	14,000	11,000	78
Solex	64,000	37,000	58
Oil Port	22,000	12,000	55
Chemicals	62,000	27,000	44
ICI	52,000	25,000	48
BP	48,000	20,000	42
Bayer	38,000	12,000	32
Hoechst	na	11,000	na

Based on average opening and closing figures and excluding capital work in progress except for Dow, ICI and BASF average exchange rates.

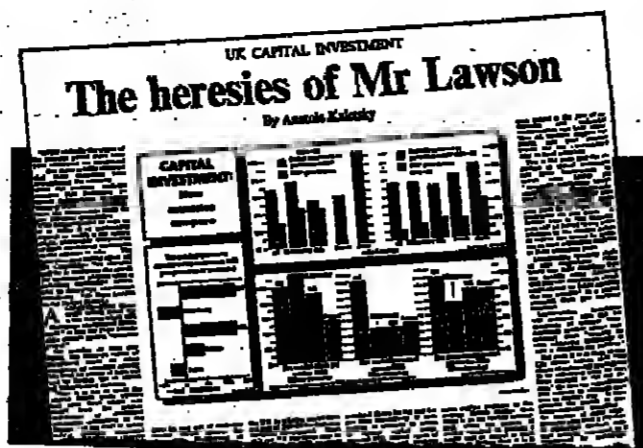
While Shell does not publish employee numbers, chemical net fixed assets represented 64 per cent of gross fixed assets, much like Exxon Chemicals and double the percentages for BASF and Bayer.

### CAP and the countryside

**From Mr David Richards**  
Sir, — Mr Nicholas Thornhill's letter (April 7), defending the Common Agricultural Policy on environmental grounds, contains logical inconsistencies.

If the prairies of the eastern counties are indeed a product only of "economic pressures and new techniques" why should the abandonment of present agricultural policy cause their extension? Has it been holding them back? Of course not, for it is one of Mr Thornhill's main arguments that government policy has actually extended the area under farming both arable and pasture.

One may also ask why the removal of government support should have opposite effects on arable and pasture—extending



### Industry Year 1986

**From Professor Keith MacMillan**  
Sir, — The announcement that 1986 has been designated "Industry Year" by the RSA (April 18) prompts consideration of what individual companies can do themselves to improve public attitudes towards industry. Will it be sufficient to rely on the efforts of the RSA, CBI, Government and trade associations?

These bodies can provide publicity which can spread the message and even make the case for industry. But unless the campaign is supported throughout industry itself, the message will be confined to the media. The only people who will listen will be those already on industry's side.

The message that needs to get through is that business, by its very nature, enhances community well-being. Business is good for the community, not so much because of its charitable donations or special community projects but because both parties to a business deal must benefit for it to be successful.

Business is all about doing deals. Deals are relationships between people, who are suppliers, customers, investors or employees. Good deals make the people involved feel better off. It is not so much good deeds that benefit society but rather good deals, the mainstream of business life.

The best companies know this and, in the U.S. and Japan at least, proclaim it constantly — to their managers, to their employees, to the world at large. They repeat the message so that they are never forget it and so that they are seen to stand or

**From G. N. F. Wyburd**  
Sir, — I would like to add an international dimension to your announcement on April 13 that 1986 is to be designated "Industry Year".

If industry suffers from low social esteem, multinational industry has an even greater problem. In spite of the benefits we have as a nation, both from our own investments overseas and as a recipient of investment from other countries, multinational is a dirty word to far too many sincere people who have negative ideas about the power and behaviour of such companies and do not know enough about the positive benefits they bring.

The International Chamber of Commerce, of which ICC United Kingdom is the British affiliate, seeks to encourage international investment as essential to wealth-creation on a world scale.

We welcome the initiative of the Royal Society of Arts and look forward to the opportunities it will provide to increase recognition of the benefits brought by international business both to the United Kingdom and the rest of the world.

G. N. F. Wyburd,  
Director,  
ICC United Kingdom  
Centre Point, WCI.

### Old buildings and VAT

**From Mr N. Jensen**  
Sir, — Mr Wadsworth (March 27) mirrors exactly my own horror at the Chancellor's decision to alter from zero rating to exempt the sale of reconstructed or refurbished buildings. I can find no logic in the change, except that HM Customs and Excise will be saved the task of deciding whether the work on particular buildings justifies the 50 per cent test for substantial reconstruction.

Sadly the Treasury has always failed to be impressed by the many voices calling for the smallest of concessions to be met with the retention of our heritage in the form of our many and varied buildings. The changes proposed in Nigel Lawson's Budget will have the very opposite effect. We shall be able to demolish a building without incurring VAT and likewise replace it with some modern structure, thus retention and the full

wrath of the Treasury in the form of 15 per cent VAT will fall upon you, unless of course you choose to use "cowboy" labour.

You are faced with just such a decision. My company is converting a group of farm buildings in the centre of a pretty Sussex village into five new dwellings. We shall hardly have started work upon the small east by June 1. Without the proposed VAT changes, it would have cost more to restore and convert the building than it would to construct a new building of similar size in its place. Now the costs will rise by a further 15 per cent. Short notice legislation of this type makes a nonsense of one's attempts at forward planning.

And the Treasury really think this new proposal through?

N. C. Jensen,  
The Old Cottage,  
Broadham Green,  
Oxted, Surrey.

### THE "war of facts" between the National Coal Board and the National Union of Mineworkers is a prominent feature of the present dispute. The following is a guide to the issues.

Hasn't nationalisation provided the mineworkers with a great deal more security than other workers?

Not in terms of employment. Numbers employed in the industry have dropped from 704,000 in January 1947—the NCB's vesting day—to around 180,000. Production was some 200m tonnes in 1947, reached a 225m tonne peak in 1955, and has declined pretty steadily since to 105m tonnes now.

This has mirrored the decline of the importance of coal as a fuel: from providing over 90 per cent of primary energy consumption in 1947, it now provides around 35 per cent.

Nationalisation did, however, give those miners who remained employed much greater security. The public must come to greatly increased health and safety standards and better pay — though it took the 1972 and 1974 strikes to lift them to the top of the manual workers' wages league.

But miners with long memories can be forgiven for being somewhat cynical about "plans for coal" of which there have been many since nationalisation—all with different production targets. The first, in 1950, proposed an increase in output to 240m tonnes by the mid-1950s.

However, by 1965, and the era of cheap oil, a White Paper was proposing production cuts which would leave the NCB with a maximum output of 180m tonnes by 1970.

Closures and mergers went on at a rapid pace: numbers of pits dropped from 990 in 1967 to 317 in 1983. In the one year of 1967-68, 51 pits were closed and 11 were merged.

The 1974 Plan for Coal is still supposed to underpin the industry's strategy. What were its objectives?

The plan followed the first oil shock and was a tripartite agreement between Government, NCB and unions. It envisaged an initial expenditure of £500m (1974 prices) to be planned for 40m tonnes new capacity by 1985, with—and this has become a crucial provision—the loss of 3m to 4m tonnes a year of old capacity.

In 1977, the NCB published an estimate that coal demand should be somewhere between 135m and 200m tonnes by the year 2000. It proposed—and this was endorsed by Government—that 4m tonnes of new and replacement capacity be added each year.

By March 1983, £4.5bn had been invested against the £3.2bn (at comparable prices) originally estimated—but production had not risen. After a slight rise at the end of the 1970s, output has fallen to its present

### THE UK MINERS' DISPUTE



Mr Arthur Scargill (left) and Mr Ian MacGregor

### What the fuss is all about

By John Lloyd, Industrial Editor

By mid-1983—the end of his brief year as chairman—he had shut some 20 pits and made some 20,000 mineworkers redundant by consent.

He did so with great skill—though he was aided by a campaign by Mr Scargill against a secret "hit list" which the NCB denied existed and which effectively diverted attention from the very public closing of pits.

Two strike ballots which the NUM leadership mounted during his chairmanship produced majorities of around 60 per cent against strike action. The age of the high-paid, mine-worker, prepared to accept some shrinkage of manpower, appeared to have arrived.

Surely Mr MacGregor changed all that?

Yes—and again no. He came in with a bad reputation among trade unionists for cutting back hard on the Steel Corporation: he was 72, an American for whom the Government had paid a high transfer fee, with limited experience of the U.S. coal industry and none of the UK's. He was bound to mark a change in style, and did: he emphasised continually that the industry was kept alive by the generosity of the taxpayer, refused to make the customary concessions to union power and frequently observed that coal was much cheaper overseas—all attitudes which Lord Ezra would never have taken in public.

He has also been franker about his intentions than Sir Norman — possibly a frankness which he owes regrets. The strike was triggered last month when it was announced that he would close 20 to 25 pits with the loss of a further 20,000 jobs, to bring the industry down to below 100m tonnes.

But Mr MacGregor is doing nothing different from his predecessor: indeed, it is quite possible that he will, by the end of his first year in office, have closed fewer pits than Sir Norman. He has been exceptionally careful to keep within the spirit of the 1974 Plan for Coal.

He said in his Weekend World television interview on Sunday that "we have a very simple programme. It follows on the Plan for Coal which, strangely, was put together back in 1974, I believe. It was by Mr Eric Varley. It was a very thoughtful plan which recognised that transition was necessary in this industry to move away from high-cost coal mining to lower-cost coal mining in the interests of national low-cost energy. It was a very sound plan. . . ."

So why the fuss?

Because the irresistible force of Mr MacGregor's drive for low-cost energy has met the immovable object of Mr Scargill's determination to keep the industry at its present size.

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Sanko to hive off VLCC fleet

BY YOKO SHIBATA IN TOKYO

SANKO STEAMSHIP, the defunct major Japanese shipping company, specialising in tanker operations has worked out a drastic rehabilitation plan involving the buying off of its loss making VLCC (very large crude carriers) division. The company is also seeking help from a number of banks including Daiwa Bank, Long-Term Credit Bank of Japan, and Tokai Bank.

Sanko plans to transfer the 16 fully-owned VLCCs to its new company. Losses involved in the construction of the 18 vessels amounted to between Y70bn and Y80bn—a sum which is also to be transferred to the new company.

Under the company's previous plan, it intended to cut its old fleet by 150 vessels of 12m tonnes deadweight in three years to bring it down to 100 ships of 10m tonnes by the end of March 1985.

VLCCs. The company seems to have got rid of a further 17 vessels—totalling 670,000 tonnes in the October 1983-March 1984 half year.

Marginal profit fall at Shell Australia

By Lachlan Drummond in Sydney

SHELL AUSTRALIA has reported net earnings down only slightly from A\$23.5m to A\$27.64m (US\$25.4m) for 1983, in stark contrast to the combined losses of A\$230m for three of its major rivals, BP, Mobil and Cadex.

North American quarterlies

Table with multiple columns showing financial data for various companies like AMERICAN HOIST, GENERAL TIRE, MANSON, etc. for 1984 and 1983.

Straits Trading ahead despite lower sales

SINGAPORE—Straits Trading Company lifted group attributable profit by 17.8 per cent to S\$25m (US\$12m) for the six months to December to leave the full-year result up 5.3 per cent to S\$37.8m.

MAS considers public listing

BY WONG SULONG IN KUALA LUMPUR

THE STATE-OWNED Malaysian Airline System, MAS, is considering seeking a public listing and raising between 500m and 1,000m ringgit (US\$212m to US\$424m). Its paid-up capital is currently 70m ringgit.

He said the airline had benefited from stable fuel costs, lower interest charges and, a higher capacity in line with the economic recovery of the Asian-Pacific region.

Meanwhile, the Malaysian Government has disclosed that it plans to build a second airport for Kuala Lumpur to complement Subang Airport which recently underwent a 150m ringgit renovation and expansion programme to cope with traffic growth up to 1990.

Everbright Industrial to expand in China

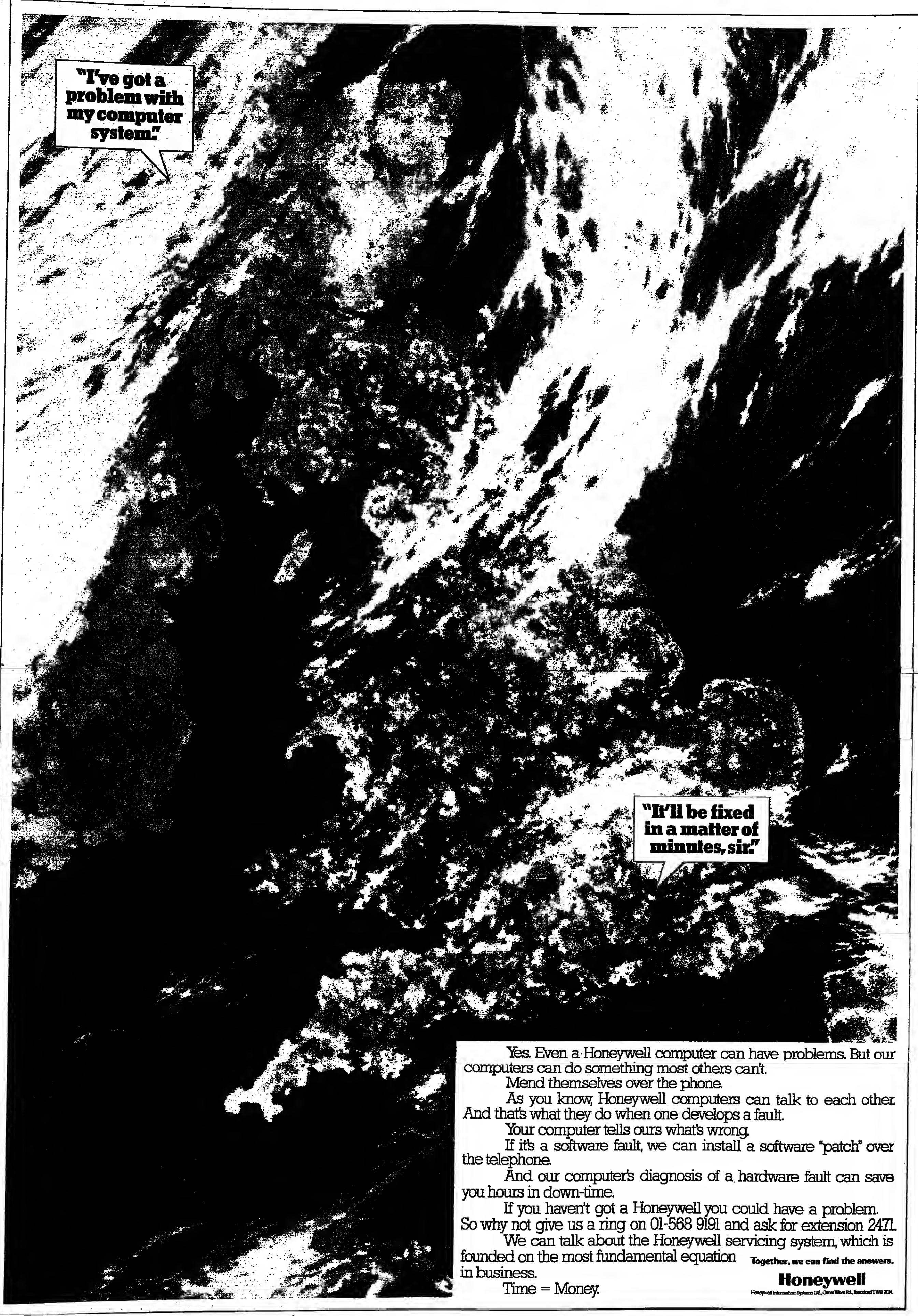
HONG KONG — Everbright Industrial plans three major industrial, agricultural and commercial developments in China's special economic zones, said Mr Wang Guangyong, the chairman.

Mr Wang, who is also vice chairman of the Chinese Peoples Political Consultative Conference and a former mayor of the industrial city of Tianjin, said Everbright, which was formed in Hong Kong last August, plans to spend US\$150m on a huge land reclamation project in the Zhuhai special economic zone, just north of the Portuguese administered territory of Macao.

The development involves two Chinese partners in addition to Everbright and will entail reclaiming 170 sq kilometres of land at the mouth of the West River, a tributary of the Pearl River.

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UK COMPANY NEWS

Currys tops £22m and raises total

PRE-TAX profits of the Currys Group rose by 27.5% to £22.5m over the 12 months ended January 25 1984 and the electrical appliance retailer is stepping up its dividend from 5.75p to 8.1p net with a total of 8.7p.

HIGHLIGHTS

Lex contemplates events in the market yesterday where share prices started to react to growing concern over the implications of the miners' strike before moving on to the Government's slow start to the funding programme.

The past year, but over 40 should open during the current year together with a proportion of those which the group agrees to take this year.

£1.2m profit and 0.5p dividend by Raybeck

THE UPTURN in retail activity and the changes made within the Raybeck clothing manufacturing and retailing group are reflected in the results for the 38 weeks ended January 28 1984.

Steady progress at Bryant as profits pass £4.7m mark

AN INCREASE from £3.4m to £4.7m in pre-tax profits is reported by Bryant Holdings, the West Midlands-based property investment, business and property development and construction company for the half year to November 30 1983.

DIVIDENDS ANNOUNCED PAGE 23

in both turnover and profit in homes development, its policy of marketing a quality product has been successful in what again proved to be a demanding circumstances.

Bowthorpe well ahead: further growth seen

Bowthorpe Holdings, the electrical and electronic group, achieved record results for the eighth successive year in 1983 and is lifting its dividend from 4.04p to 4.68p net by an increase of 15.8%.

During 1983-84 the group opened 33 new premises, of which 11 were in fresh locations. The remainder were moves into larger, more suitable premises.

Income of £1.81m (£446,000). Tax accounted for £1.13m more at £6.75m and minorities took £296,000 (£234,000).

Resulting from the disposal of Davies and Field and the purchase of a 50% stake in the purchase of an extraordinary charge of £1.7m (£1.7m) not reflected in the figures.

York Trailer £0.5m in black

AS A result of tight management controls rather than a buoyant commercial market, York Trailer Holdings has turned in a profit of £206,825 for 1983, compared with a loss of £20,000 in 1982.

in the UK and Holland, the stability of which should increase in line with a general trade revival.

committed the company back to renewed growth, as well as to the economies of consolidation, by reopening and refurbishing that half of the Northampton plant which had remained closed through the depression.

Baillie Gifford £10m subscription offer

EDINBURGH-BASED Baillie Gifford, which has over £750m of funds under management, is offering for subscription 10.8m shares at 100p per share in its new investment trust, Baillie Gifford Technology.

The directors of the company have a wide experience of advanced technology between them, including Mr Clive Richards, chairman of Micro Business Systems, Dr John Gray, managing director of Justice Logic, which is involved with semi conductor design automation, and Dr Kenneth Reid, founder and general partner of a U.S. venture capital firm, Oxford Partners.

The share of 100p include a warrant in respect of every 3 ordinary shares to subscribe for one share on May 31 in any of the years 1985 to 1995.

with a major exposure to advanced technology sector stocks was the best performing investment trust in the UK in 1983 so the decision to launch a more general Baillie Gifford Technology Trust deserves careful consideration.

Wace deficit is greatly reduced

PRE-TAX losses of Wace Group have again been reduced and figures for 1983 show £185,000 against £261,000. At the interim stage, the deficit was reduced from £12,000 to £99,000.

credits of £108,000 (nil), and the sale of premises, £13,000, and surplus on the revaluation of plant, £90,000.

company in a stable position with all operating subsidiaries capable of making profits, that the disposal and rationalisation will leave the company with a satisfactory business base.

"The many and varied causes of business failure serve to underline the need for credit insurance protection in good times as well as bad" P. R. Dugdale, Chairman

Table with 2 columns: 1983, 1982. Rows: Premiums Written (£44.64m vs £37.00m), Profit after Tax (£0.86m vs £1.38m), Shareholders' Funds (£24.06m vs £20.77m)

During 1983 the Company has continued to experience a strong demand for the protection and support services it offers against the background of a small but noticeable improvement in UK trading conditions.

Results and Dividends After taking into account investment income of £1,809,118 and charging taxation of £841,059, the net profit for the year was £855,465.

General The course of economic recovery in 1983 was hesitant and erratic. For the first part of the year it relied heavily on the continuing revival in consumption, which had begun in the latter half of 1982.

Trade Indemnity plc Underwriters of credit insurance since 1918. Includes logo and contact information.

UK Property

Taxable profits of UK Property Company rose from £205,000 to £1.81m against £1.05m in the year ended September 30 1983.

FRIENDS PROVIDENT LIFE OFFICE

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND THIRTY-SEVEN ANNUAL GENERAL MEETING OF MEMBERS is appointed to be held at CLAZERS HALL, MONTAGUE CLOSE, LONDON BRIDGE, LONDON, SE1 9DD, ON WEDNESDAY, 9TH MAY 1984, at 2.30 p.m.

Granville & Co. Limited

Member of NASDIB 27/28 Lovat Lane London EC2R 9EB Telephone 01-621 1212

Over-the-Counter Market table with columns: 1983-84 High/Low, Company, Price, % Change, Div. (p), P/E Ratio, Buy/Sell.

LADBROKE INDEX Based on FT Index 873-874 (-18) Tel: 01-493 5261

COMPANY NEWS IN BRIEF

In the six months to September 28 1983, taxable profits at Land Investors, property developer, rose to £1.55m against £1.15m in the comparable period.

ROTHSCHILD ASSET MANAGEMENT (GB)

St Julian's Court, St Peter Port, Guernsey GY1 2674

O.C. INTERNATIONAL RESERVE LIMITED

Table with columns: Australian Dollars, Danish Kroner, Hong Kong Dollars, AS 15046, DKK 18389, HK\$ 108217, +004, +0.25, +0.017, 8.31, 6.25, 6.20



# Direct banking, worldwide

Comments by the Chairman, The Rt. Hon. Lord Barber

The trading profits of the Bank and its subsidiaries for the year ended 31 December, 1983, including the Bank's share of associated companies' profits, amounted to £308 million. After deducting interest on loan capital the profit before taxation was £268 million, compared with £242 million in 1982.

This increase in pretax profit of 11 per cent over the previous year reflects a reasonable overall performance when account is taken of the difficult world trading background, which resulted in a significantly higher level of bad debt provisions against the loan portfolio, the amount rising from £83 million to £134 million. The net effect of exchange movements on profits was almost neutral.

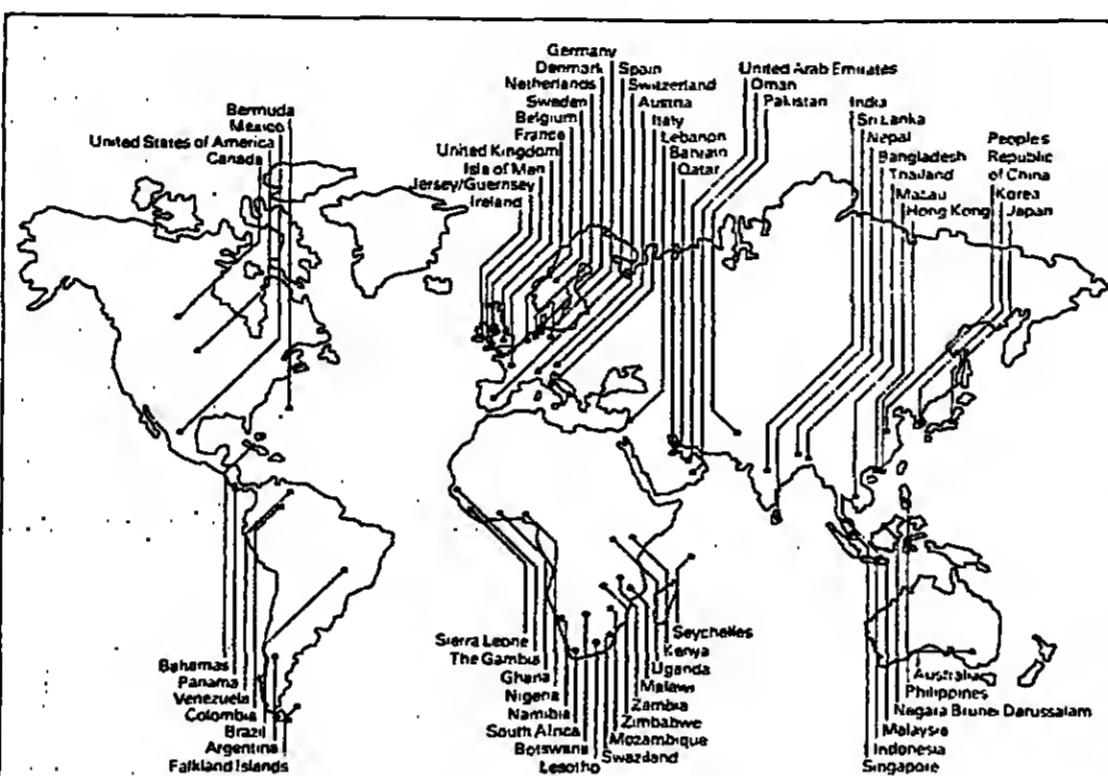
After deduction of taxation and minority interests, the profit attributable to shareholders excluding extraordinary items amounted to £114 million. On the basis explained in the notes to the accounts, the calculation of earnings per share takes into account the rights issue of last May and amounts to 77.1 pence per share for the year, compared with 85.7 pence per share in the previous year.

Arising from the Chancellor's proposed changes, the Bank has decided to make full provision for deferred taxation on United Kingdom equipment leasing; consequently, a charge of £36 million has been included in extraordinary items. This is partly offset by a profit of £24 million following the sale of a major office building in California.

**Shareholders' Funds now £1,270 million.**

An interim dividend of 9.5 pence per share was paid in October and the recommendation of the Board is for a final dividend of 18.5 pence. The total payment for the year of 28 pence per share on the capital as increased by the rights issue is covered 2.8 times by earnings.

In May shareholders provided £98 million net of expenses in new equity by way of a rights issue. In November US\$200 million of subordinated capital debt was raised by an issue of floating rate notes and the proceeds were received in early January 1984. Capital resources were also augmented by retained profits before extraordinary



2,000 offices in over 60 countries

items of £70 million. These developments have enabled the Group to sustain a continuing large investment programme in buildings and equipment, as well as to support further growth in our various banking businesses. The continuing need to maintain our capital ratios is well before us and further surplus asset disposals will take place.

By the end of 1983 total shareholders' funds stood at £1,270 million and total capital employed in the Group, including loan capital and minority interests, amounted to £1,919 million.

In 1983 the Group encountered widely varying business conditions as the world emerged from the depths of the recession. In some areas the Group achieved encouraging gains and, among these, it is particularly pleasing to record the strong performance of the subsidiaries in South Africa and California; this reflects much credit on the efforts of the local management in these highly competitive markets.

Confidence factors dominated the banking sector in Hong Kong last year and we had to make substantial provisions in respect of some manufacturing companies which were damaged by the property market situation. However, there was an impressive 26 per cent increase in exports in 1983 which is remarkable evidence of the Hong Kong economy's resilience and adaptability in responding to opportunity. In Malaysia and Singapore, where trading performance was rather flat, results were

enhanced by exchange rate movements, as compared with 1982.

I have already referred to South Africa. In the rest of Africa good trading results were diminished on translation into sterling by a number of currency devaluations, as several Governments strove to implement policies of adjustment to a more difficult external environment.

**Capital Resources now £1,919 million**

In the United Kingdom our wholesale businesses in the City had a successful year and Chartered Trust swung back into profit. However, our regional commercial banking performed poorly, incurring heavy provisions, and steps are being taken to improve it. Following the acquisition of the outside shareholdings in Midland and International Banks, a Private Act was passed to enable MAIBL to be merged with Standard Chartered Merchant Bank with effect from 31 December, 1983, thus creating one of the largest merchant banks in the City.

Towards the end of last year we announced our intention of applying to join the Bankers Clearing House. We have since agreed to a temporary deferment of our application because the Clearing Banks first wish to under-

take a thorough review of the implications of wider membership. We will be co-operating fully with this enquiry which is of considerable significance for the future of domestic banking in this country.

Shareholders will need no reminder of the problems facing the international community as a result of debt servicing difficulties facing many sovereign borrowers. So far the problems have been contained, in that no major debtor has been confronted with a total withdrawal of credit. On the positive side, several countries have begun to make progress in improving the balance of their external accounts. Encouraging also is the greater readiness of Governments, in advance of trouble, to approach the International Monetary Fund and commercial creditors for an orderly rearrangement and refinancing of debt.

**Total Assets now £28,917 million**

The IMF, in association with the World Bank, deserves great credit for the very positive attitude which these institutions have adopted. Not only have they met emergency calls on their resources but they have succeeded in mobilising the commercial banks to maintain adequate credit flows in an environment of increased risk, thus helping to ensure the success of the longer term programmes of adjustment.

While the progress made is encouraging there is certainly no cause for complacency. All the world's major banks operating in the international market will have to carry refinanced debt for several years as well as contributing new loans to sovereign borrowers until more stable payments positions are achieved. Standard Chartered Group will continue to assist in this readjustment process as well as participating in the financial arrangements needed to further the economic development of the many countries where we have a presence.

Plans to reorganise the Standard Chartered Group, so that "Standard Chartered" becomes the name of the Bank as seen by the public more widely around the world are in hand and are expected to be well advanced by the end of 1984.

# Standard Chartered

Copies of the Report and Accounts and of the Chairman's Statement may be obtained from:  
The Secretary, Standard Chartered Bank PLC, 10 Clements Lane, London EC4N 7AB.



Handwritten text in a box: 0371 0713/84

UK COMPANY NEWS

Elbar halves its losses to £1m after 12 months

AFTER cutting its losses from £1.15m to £173,183 in the interim stage, Elbar Industrial continued to make in-roads into its deficit in the second half. As a result, losses for 1983 as a whole fell from £2.1m to £1.07m. No dividend is again payable, as the directors say they are unable to indicate the group's future dividend policy.

These aims, although they can only be regarded as a first step on the road to recovery, adopted a new strategy has been adopted by the directors, and a policy agreed for the organisation of the group. In the case of loss-makers, disposal of assets will be explored for those operations which it is felt cannot be turned round quickly.

Turnover for the year improved from £68.35m to £72.24m. There was an operating profit of £91,000 against losses of £49,000. The sale of properties contributed a profit of £154,000 this time, against a rental income amounting to £89,000 (£61,000 debit).

Greenbank setback to £1.7m but pays same

DESPITE A reduction in profits from £2.35m to £1.66m in 1983, Greenbank Industrial Holdings is maintaining its dividend at 2.1p net per share, with an unchanged final of 1.3p.

Bramall ahead 18% but margins hit

WITH CONTINUING and severe pressure on margins, particularly on new vehicle sales, pre-tax profits of C. D. Bramall, motor dealer, rose by 18 per cent from £1.85m to £2.18m in 1983, on sales of 27 per cent higher at £67.28m, against £52.96m.

start to the current year. Management accounts for the first three months of 1984 show figures a little down on the same period last year.

is courting that its costs are compatible with the market share being achieved by its main suppliers and also with current trading margins.

reduces its 1983 tax charge mainly by the leasing business it has written during the year. However, the proposed changes to the level of capital allowances available against corporate tax contained in last month's Budget, has meant the board making a £1.04m adjustment to reserves in order to provide for all deferred tax relating to plant, machinery and vehicles.

BHG moves up with second half recovery

A recovery in the second half has given Barrow Hephurn Group a 30 per cent lift in profits for 1983, from £865,000 to £1.12m. The dividend is again 2.2p with an unchanged final of 1.4p.

Solicitors' Law lower than anticipated at £70,000

ALTHOUGH 1983 pre-tax figures of the Solicitors' Law Stationery Society showed a substantial improvement from £245,000 to £70,000 profits, the directors say the result was lower than anticipated at the time of the preliminary results.

charge for Group Central Services. There is again no tax charge, due to losses carried forward from previous years. Extraordinary debits were £188,000 (£482,000) and mainly related to costs incurred in respect of the printing and legal services group improved from £19.25m to £18.87m.

MCD tops £1.7m and pays well over forecast

THE FIRST trading year of MCD Group as an enlarged undertaking has produced profits of £1,732,000 compared with £759,000 in 1982. And the dividend is to be 1.5p net, against 0.65p forecast in March 1983.

Boustead falls to £0.2m and omits final payout

LOSSES by its Australian activities and by the engineering operations in Singapore have hit the 1983 results of Boustead and the dividend for the year is being cut by 0.75p to 0.5p net. No final is recommended.

Wolsley-Hughes

Wolsley-Hughes is arranging to redeem its 150,000 6 per cent cumulative redeemable preference shares of £1 each, at par on July 31.

Wolsley-Hughes

Wolsley-Hughes is arranging to redeem its 150,000 6 per cent cumulative redeemable preference shares of £1 each, at par on July 31.

becoming so aware, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to transfer or assign his shares to any person to whom he may think fit, subject to any adjustment pursuant to paragraph 2 (a) above on which the same could have been exercised on the last preceding subscription date.

4. Modification of Rights All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is then a public company) be altered or abrogated with the sanction of an extraordinary resolution of the holders of the Warrants. All the provisions of the articles of association for the time being of the Company as to general meetings shall mutatis mutandis apply in relation to the Warrants as if they were shares forming part of the capital of the Company but so that (a) the necessary quorum shall be the holders (present in person or by proxy) entitled to exercise one-third in nominal amount of the Ordinary Shares in respect of which the Warrants are exercisable; (b) every holder of a warrant present in person or by proxy shall be entitled to a vote on a poll to one vote for every £100 of the face value of the shares to which the warrant relates; and (c) if any of the events referred to in paragraphs 2(b), 3(b), 5(a) and 5(b) above shall occur and be construed in relation to that event as if the words "first subscription date" were substituted for the words "last preceding subscription date".

Appendix 2 STATUTORY AND GENERAL INFORMATION

1. Company and Share Capital The Company was incorporated in Scotland as a public company on 12th March 1984, registered number 870421, with an authorised capital of £50,000 divided into 200,000 shares of 25p each. On 13th April, 1984, the authorised share capital was increased to £1,500,000 by the creation of an additional 1,300,000 Ordinary Shares of 25p each.

12) Baillie Gifford are the promoters of the Company. Save as is disclosed in paragraph 4 of the Appendix, no arrangement has been made for the payment of any commission, and none is intended to be paid of any.

PROCEDURE FOR APPLICATION

All applications for the Ordinary Shares with Warrants attached must be made to the Registrar, Baillie Gifford Technology PLC, 11 Gd Broad Street, London EC2N 1JL.

APPLICATION FORM

The form when completed should be sent to County Bank Limited, New Issues Department, PO Box 72, Princes Street, London EC2P 2DD, on or after 10am on Tuesday, 24th May 1984.

BAILLIE GIFFORD TECHNOLOGY PLC

Offer for Subscription of 10,000,000 Ordinary Shares of 25p each with Warrants attached at 100p per share payable as to 65p per share on application and as to the balance on 2nd November, 1984.

Table with 4 columns: Examples of amounts payable on application, Number of Ordinary Shares applied for, Amount enclosed, and For Other use only.

\*Applications must be for a minimum of 300 shares and in multiples of 100 shares up to 1,000 shares, in multiples of 100 shares thereafter, 1,000 shares and in multiples of 1,000 shares thereafter.

Stamp of recognised bank or stockbroker claiming brokerage. Value added tax registration number (if applicable).



# FINANCIAL TIMES SURVEY

Tuesday April 17 1984

## UK Brewing

Breweries have adopted a range of strategies to cope with a lower level of beer sales and to meet changes in the market. They are trying to preserve the traditional pub while adapting and diversifying to compete with other leisure age attractions

### Investment focus moves to pubs

BY LISA WOOD

OUR INDUSTRY is no longer just about beer," observes Mr Douglas Strachan, managing director of Allied Breweries. "It is about pubs and they are overwhelmingly about people." Mr Strachan's comments encapsulate the change in attitudes, and investment strategy, increasingly being adopted by Britain's 80-odd brewers.

The current fashion is to hire professional marketing teams, to re-introduce "traditional" local beers, and to bring in specialist designers to give a face lift to interiors—a far-cry from the brewers' former obsession with volumes of beer being driven through their tied estates.

The transformation—from brewers with tied houses to retailers with breweries (generally working at about three-quarters of capacity)—is most conspicuous among the big national drinks groups. It is a trend which has accelerated, too, over the past four years, as the industry has sought to respond to a number of important developments in the marketplace.

Since 1979, when beer sales peaked, the market has fallen by about 12 per cent. Last year's production, at 38.9m bulk barrels, was 0.9 per cent up on 1982 and some improvement is forecast in 1984. Nobody is pre-

dicting a significant recovery, however, and City analysts now regard brewing as "a mature industry."

Entertainment, such as videos and computer games in the home, have been providing strong rivalry to the pub. This competition for consumer spending has become even more intense with the growth in fast food outlets and increased interest in eating out.

Women have been demanding better facilities in pubs, including provision for children, and by their preference for lighter drinks, such as lager, have helped to bring about important changes in the pattern of drinks sales.

Lager, sipped in tiny quantities in the early 1970s, now constitutes about 35 per cent of the market and is forecast to have continuing growth in both volume and market share.

Lager also accounts for 68 per cent of the take-home beer trade, a growing sector, taking some 13 per cent of all beer sales.

For all their reputation for conservative attitudes, the brewers have responded vigorously to these developments.

Investment is being channelled into pub renovation. Pubs are after all brewers' major assets, the 79,000-odd in

the UK being conservatively valued at over £8bn.

During the three years 1983-85, the brewery groups are planning to spend £553m on their retail outlets out of a total capital investment of about £1bn. By contrast, in the optimistic 1970s the majority of new investment went into new production plants, with rationalisation bringing improved margins. Spending on new production facilities is now running at a much lower level in real terms.

#### Radical

Grand Metropolitan's subsidiary, Host, which looks after the group's managed houses, has perhaps been the most radical in its approach to its properties. More than £60m is being poured into its houses, which are being remodelled along 14-odd different themes designed to attract different age groups and cater for very different tastes. New technology—microcomputers and the like—is also being installed in pubs, to help, for example with re-stocking.

According to Mr Charles Tidbury, chairman of the Brewers Society, Britain's pubs have to change in order to survive. "Pubs, or at least some of them, will have to adapt, if they are not to fade away," he warns.

The tricky part for pub owners is to find a formula that competes with the other leisure options but does not change the essential, traditional environment of the majority of pubs.

Improvements in food retailing are a prime concern. Whitbread, for example, which has

a substantial investment in Pizza Hut, the fast food chain, has installed pizza bars in selected city pubs.

At the same time the big six nationals—Allied Breweries, Watney Mann & Truman, Bass Charrington, Scottish & Newcastle, Courage and Whitbread—have looked to their beers, in a bid to freshen up both their image and their appeal.

In this they are responding to the challenge posed by the regional breweries which produce about 20 per cent of beer consumed in the UK. They came to prominence in the mid to late 1970s, with their cask-conditioned or "real ales"—a reaction in part to the campaigning by CAMRA (Campaign for Real Ale).

The strategy of the nationals, branded at the time as producing a universally bland product, has been to regionalise their beers as well as produce real ales—an approach which is now proving successful at the expense of the smaller independents.

The major breweries have, however, adopted different strategies to achieve their aims. Whitbread, for example, has centralised functions under five specialist directors, each responsible for a particular aspect of the business for the whole country. Allied, in contrast, has probably gone furthest down the road in decentralising its activities so that all functions are performed within its nine regional subsidiaries.

All are showing continued interest, too, in wine, consumption of which has risen fourfold in Britain since 1970. The national breweries, and some of

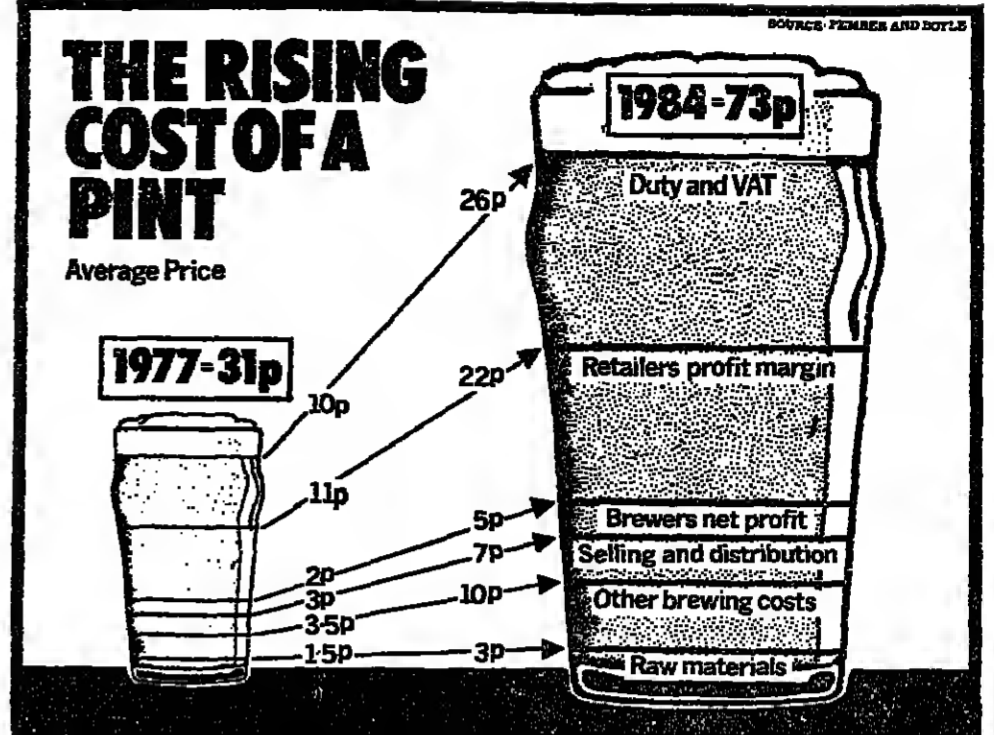
the regional independents, have considerable investments in wine production, shipping and distribution.

For example, Allied's recent £41m acquisition of all the spirits, wines and liquor interests of Booker McConnell, the agricultural and food distribution company, brought in European Vinners. With about five per cent of the UK wine market it ships Italian, German, French and Spanish wines and distributes them in the UK.

The larger brewers have also been increasing the size of their off-licence chains in order to win a share of growing consumption of wine, mainly bought in the off-trade, though here they face strong competition from the aggressive pricing policies of the supermarket chains. Bass, for example, last year bought Augustus Barnett for £6.8m, while Vaux Breweries in the North East bought the Lewis Vinners chain.

The recent Budget, in which the Chancellor, Lord Harewood, announced the European Court of Justice's line in re-distributing excise duties between beer and table wine is likely to further accelerate wine consumption, with duty falling by 15p a bottle.

The decision to bring about the required re-alignment by a large reduction in wine duty rather than a steep rise in the beer tax has pleased the brewers, for whom the increased duty of 2p on a pint was not as harsh as feared. With traditional heavy beer drinking areas such as the North East the worst affected by unemployment, brewers estimated that a steep increase in duty would cut consumption by about 1 per



cent for every 1p increase on top of an initial 1p rise.

This relief notwithstanding, however, the major brewers are not looking to their plants of beer as the main contributor to future growth in profits. Apart from moving into other drinks, such as wine, and investing heavily in their houses, they are continuing their search for suitable avenues of diversification. Here most of the main nationals are involved, together with some of the regionals, notably Vaux and Greenall Whitley.

#### Discos

Whitbread, for example, which derives about 40 per cent of profits from non-beer related activities, such as wine and restaurants, expanded further into the leisure market in January with the acquisition of some 21 clubs and discos in the West Midlands from Grosvenor Leisure. At present Whitbread is holding talks on the possibility of acquiring 22 Hennekeys Inns, most of which are pub-restaurants, from Trusthouse Forte.

The City sees the process of diversification continuing with some brewers proving more radical than others. Allied Breweries, for example, is characterised by Mr Philip Shaw of stockbrokers, L. Messel, as having very much a "brick on

brick" approach. "They want, however, to keep in markets they understand and will continue to look abroad, particularly to the U.S. But I do not see any big acquisitions on the immediate horizon," he says.

Further regrouping within the industry, albeit not on the scale of the 1980s, is also probable. With the major brewers improving their competitive edge in the home market, more small independent brewers could be taken over by their middle sized brethren as in the recent acquisition of Border Breweries (Wrexham) by Marston, Thompson and Evershed of Burton-on-Trent.

"With the gradual weakening of the tie, and with so much surplus capacity we may see more and more brewers servicing other brewers' pubs," Mr Shaw observes. For example, Everards, the Leicester-based independent, last month announced it was cutting back its own beer output by about 80 per cent and turning the work over to other brewers.

The independent brewers, many heavily dependent on cask ales, with few brewing their own lager, are also likely to be looking increasingly for an opportunity to brew nationally known lager brands, most of which are now made in Britain under franchise from Continental brewers.

"They will be seeking to take advantage of the continued increase in lager's market share, mainly at the expense of cask-conditioned beers."

This itself is likely to result in keen marketing battles for lager brand share. The market leader is the Danish-based Carlsberg, which brews its own lager in Britain but Allied is revitalising its Skol lager with a major advertising campaign and introducing Castlemaine 4X shortly from Australia.

Potentially the most exciting newcomer, according to the industry is Budweiser, the Anheuser Busch premium beer. The top selling beer in the U.S., it is soon to be launched in the UK by Watney Mann & Truman

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## SO YOU THOUGHT THERE WERE ONLY SEVEN BREWERIES LEFT? WE TEN SAY YOU ARE WRONG!

We do not normally advertise our presence in the national press, but today is an exception; we thought you should be made aware that there are still a number of wholly independent brewers who are proud to uphold their long tradition of brewing English ale, and of providing a personal service.

**T & R THEAKSTON LTD**  
Carlisle Brewery, Bridge Street,  
Carlisle CA2 5SR  
Tel: 0228 24467

BEERS: Theakston's Best Bitter

**MARSTON THOMPSON & EVERSHEO PLC**  
PO Box 26, Shenill Road,  
Burton-on-Trent, Staffs, DE14 2BN  
Tel: 0283 31131

DRAUGHT BEERS: Pedigree Best Bitter-Burton Bitter-Capital Ale -Harry Monk Best Mild-Nerican Wild-Albion Ale-Harston's Pilsner Lagerbier. Pedigree Bottled Ale Low 'C' - Old Roger.

**DAVENPORT'S BREWERY LTD**  
PO Box 353, The Brewery, Bath Row,  
Birmingham B15 1NB  
Tel: 021 643 5021

BEERS: Traditional Draught Bitter, Orm Bitter, Continental Lager, Top Brew De-Luxe, Chequer Bitter, Jager Lager.

**MORLAND & CO PLC**  
The Brewery, Abingdon on Thames,  
Oxfordshire, OX14 5DD  
Tel: 0253 20770

BEERS: Cask Conditioned draught beer, Old Speckled-Hen.

**FULLER SMITH & TURNER PLC**  
Griffin Brewery, Chiswick,  
London W4 2QB  
Tel: 01 994 3691

BEERS: Extra Special Bitter (ESB), London Pride, Chiswick Bitter, Hock. Full range of own bottle and own can beers.

**HICHENS HARRISON & CO**  
43-44 Broad Street Avenue, London EC2M 1LB  
Tel: 01 588 5171  
Members of the Stock Exchange (established in 1803) with a special interest in researching the brewery industry for institutional and private client investors.

**T & R THEAKSTON LTD**  
Masham, Ripon, Yorks HG4 4DX  
Tel: 076 589 544

BEERS: Old Peculiar, X.B., Theakston's Best Mild

**MANSFIELD BREWERY PLC**  
Mansfield, Nottinghamshire NG18 1AB  
Tel: 0623 25691

BEERS: Mansfield Bitter, Mansfield Mild, Marksman Lager, "2 LITRE PET" Mansfield Pale Ale, LANVED Mansfield Bitter 16oz, 2ltr PET, Supreme Champion Brewex 1983, Marksman Lager 16oz, Mandora Soft Drinks, TM Beach Soft Drinks

**G RUDDLE & CO PLC**  
The Brewery, Langham, Oakham, Rutland,  
Leicestershire LE15 7JD.

BEERS: Ruddles County, Rutland

**W H BRAKSPEAR & SONS PLC**  
The Brewery, Henley-on-Thames,  
Oxon RG9 2BU  
Tel: 0491 573636

BEERS: Mild Ale, Bitter, Special Bitter, XXXX and Beehive Keg

**YOUNG & CO'S BREWERY LTD**  
The Ram Brewery, Wandsworth,  
London SW18 4JD  
Tel: 01 870 0141

BEERS: Bitter, Special Bitter, Best Malt Ale, Winter Warmer, Ram Rod, John Young's London Lager.

**SHEPHERD NEAME LTD**  
Faversham Brewery, 17 Court Street,  
Faversham, ME13 7AX  
Tel: 079582 2206

BEERS: Bishop's Finger, Master Brew Bitter, Abbey Ale, Hurlmann Lager.



**"ANOTHER PINT, PLEASE."**

A simple request, but when you have more than 7,000 outlets serving beer to millions of customers, you know it's not a straightforward one.

Allied Breweries appreciates that people have a taste for quite different pints. Different types of pub. Different atmospheres.



And not only do their tastes differ, they are changing at an ever increasing pace.

A problem? It could be, but for our distinctive structure coupled with a genuine commitment to customer service.

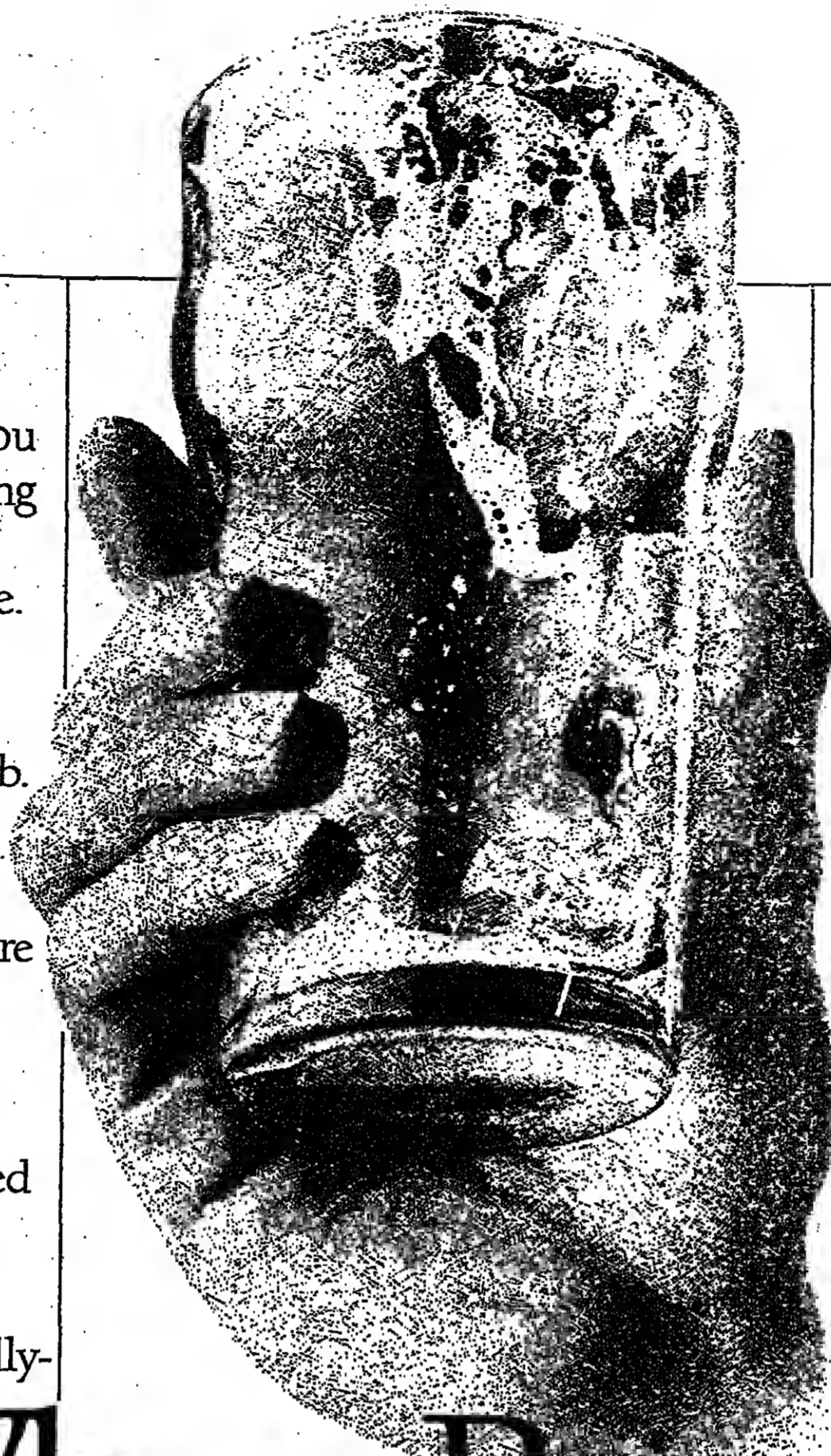
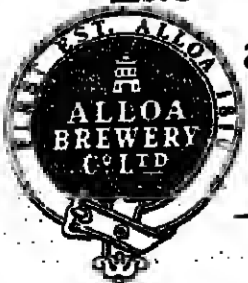
A structure made up of locally-based companies, each enjoying real autonomy and each enjoying a close relationship with their customers.

They have the ability to assess and respond to local tastes. That way, they brew the right local beer and talk with the right local accent.

They include, under our Ind Coope banner in the South, such companies as Taylor Walker, Benskins and Friary Meux. In Scotland, the Alloa Brewery Company. Joshua Tetley in Yorkshire, Cambrian in South Wales, and many others.

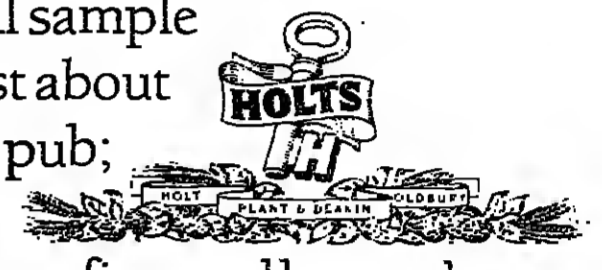
The beers they brew speak for themselves. Tetley Bitter, indisputably a legend in the North; Ansells, so revered by Midlanders, and John Bull, its Romford pedigree making it the fastest growing bitter in the South.

Each with its own local identity; all doing a roaring trade. Some of our beers



the Rhode Island Diner have pioneered a new style of eating out, providing tastes of real America, serving American foods and beers.

Visit one of our Holt, Plant and Deakin pubs in the Black Country and you will sample all that's best about the English pub; a warm welcome, open fires and honest home cooking.



In London's Soho, by contrast, the newly-opened Soho Brasserie not only makes you feel welcome, it makes you feel as if you're in Paris.

Yet many of our most popular pubs remain, at our customers' behest, unchanged. Serving traditional beers in traditional pubs, full of real pub values.

These changes, these improvements, are a direct result of us listening.

Listening to our customers, both men and women, on a local level yet serving them in a way that only a national company can.

Changing when it's needed, staying resolutely the same when it isn't.

Our total commitment to the highest standards of customer service has resulted in us pulling more pints and earning better profits year by year.

And continuing response to our customers' needs will mean that Allied's success story will continue.

That's why when Britain orders a pint, we listen.

# When Britain orders a pint, we listen.

however, are truly national – like Skol and Löwenbräu – and you can enjoy them in our pubs across the land.



Our beers, though, tell only half the story.

Just as our customers have differing tastes in drinks, the same is true of where they like to enjoy them.

And some of these places may come as a surprise.

The Vermont Exchange, the Monterey Exchange and



**ALLIED BREWERIES**



BREWING IV

Reform of licensing laws may be closer

THE HOME OFFICE appears to be softening its attitude towards reform of the licensing laws in the face of heavy pressure from other Government Ministers who believe the restrictions on public drinking hours are harmful to Britain's tourist and leisure industries.

Officials of the Department of Trade and Industry, which has responsibility for the tourism and leisure industries, have made clear their concern to their counterparts in the Home Office. The aim is to establish whether there could be some limited changes in the licensing laws to allow greater flexibility for pubs and other licensed premises to determine their hours of opening.

The talks, however, are very much at a preliminary stage and the chances of any legislation in the next few parliamentary sessions seem very slim. Mr Michael Montague, chairman of the English Tourist Board, says: "I believe there is good cause for confidence that the Sunday trading laws will be reformed in the lifetime of this Parliament. The same, alas, is not my assessment in relation to the licensing laws."

Archaic

Mr Montague believes that the present laws are "no longer simply quaint and old-fashioned but archaic and absurd." He says that "visitors to this country are not only amazed when they cannot get a drink in the afternoon but are often irritated and angry."

to close down certain ale-houses and take sureties from ale-house keepers. It was said to be part of a campaign to encourage arthury rather than "useless games."

In 1952, in the last months of the reign of the 15-year-old Edward VI, a statute was issued which most authorities regard as the start of licensing law as it is known today. It required that ale-houses be licensed and banned tipping and drunkenness on the premises.

The Newmarket Proclamation issued by James I in 1618 first introduced an hours factor, with a 9 pm closing time throughout the country and no sale during divine service on Sundays.

consolidated in an Act of 1964. However, the licensing laws remain far from straightforward, with complexities created by special hours licences and extensions and so on.

In Scotland, moreover, new laws enacted in 1976 allow much greater flexibility, with pubs able to stay open for a much longer period of the day than previously, depending on customers' needs and the suitability of the premises.

One of the main arguments against reform is that it would exacerbate Britain's already increasing problems of alcohol abuse. Mr Charles Tidbury, chairman of the Brewers' Society, rejects this argument and points out that this has not happened in Scotland since the liberalising of the laws.

EEC ruling backs tied outlets

EARLY LAST summer as temperatures began to soar across Britain and beer sales rose, British brewers had only one eye on the welcoming statistics coming in from their sales departments. The other was fixed firmly on Brussels where the European Commission's Competition Directorate was about to publish a directive on the tie between brewers and tenants and other outlets supplied.

The directive was published on June 22 and guidelines explaining the new regulation were published this February. In essence the regulation provided exemption from EEC competition regulations for tied arrangements for beer and other drinks, provided the agreements contained clauses aimed at wider consumer choice.

The tie is the means by which a tenant, or an outlet with a loan from a brewery, buys beer and other products through the brewery. The European Commission allowed this form of exclusive dealing to go on despite the fact that, in some cases, it is against the Treaty of Rome.

EEC regulation 67, passed in 1967, allowed industries to develop exclusive dealings with retailers to sell their products. It could be shown to be of benefit to consumers or the industry as a whole. Petrol pump stations are the other

main sector affected by this regulation apart from the drinks industry. The 1967 regulation ran out in 1982 but was extended until the new regulation came into effect on January 1 this year. The main thrust of the new tie regulations is that beer and other drinks covered must be specified in the agreement, and there must not be a restriction imposed by the brewer on the licensee from selling other types of drinks than those specified and supplied under the agreement.

Except in the case of tenancy agreements, where there is no time limit on the tie, the agreement must not last for more than ten years when it is confined to beer and to five years if it covers beer and other drinks. The arrangements covering amusement machines, which contribute several hundred million pounds a year to brewers' profits, remain as before.

Mr Neil Scourse, of brewing analysts Fielding, Newson Smith, in an analysis of the published last month, said: "It is difficult to identify any features which might pose direct threats to the detailed working of the tie. Slightly greater flexibility is imposed for beer and still more for other drinks, though how real this is will depend to a considerable extent on how comprehensive the tie agreement

itself can be made." At the same time, longer-term freedom of choice for the tenant would seem to be implied in the Regulation, and this has already been granted for products other than drink. The tie as it now stands applies to 85,000 tenanted pubs and also to those independently-owned outlets such as clubs which may have been agreements with brewers. It does not cover the brewers' 14,000 managed houses.

Transition period The regulation will not affect existing agreements until January 1 1989 and for off-licences the transition period is three years. All agreements made since January 1 have had to comply with the regulation, although a number of breweries issued temporary agreements until the guidelines came from the Commission in February. The regulation itself lasts until December 31 1987.

The brewers are happy with the new deal and Guinness which has suffered in the past from brewers' pricing policies and from being stocked in only half the country's off-licences have received special protection. The brewer can require beers of such other types but does not supply to be in bottles, cans or other small packages unless the sales of such beers in draught form is customary

or is necessary to satisfy a sufficient demand from consumers, the regulations state. Tenants are also now allowed to obtain non-beer drinks if they are offered on more favourable conditions which the brewer does not meet. In the guidelines it is stated that these should first be judged on price but time to pay should also be taken into account. It excludes special offers of more favourable conditions.

The right is also being given to tenants to obtain brands not in the brewer's normal price list, or which the brewer is not prepared to offer. Both provisions must be conducted "under the general legal principle whereby contracting parties exercise their rights in good faith."

The National Union of Licensed Victuallers, which represents some 26,000 licensees, has told its members that they should allow the brewer three working days before buying in under the more favourable clause. It has stressed that once an agreement is in force the brewer can not add new types of drinks to those already specified.

licensed premises, particularly pubs," the Brewers' Society said in February. The brewers had long argued that without a strong tie tenanted pubs' rents would go up, marginal pubs would close and distribution costs increase. It was an argument accepted by the British Government.

The debate over the tie has again made it clear that within the EEC political considerations still play a major role in shaping competition policy. While the regulation covered all community members and also petrol stations, most intense lobbying surrounded the brewers' tie in the UK. The stakes were high: the brewers' bedrock has been the tie for the past 80 years and it has enabled them to dictate terms to companies wishing to supply public houses.

This battle was reflected in five widely differing draft regulations issued by the Commission. The official dealing with the issue saw 200 delegations in six months, many of them in secret as companies were afraid to be seen opposing the brewers in public. In attempting to balance such a vast number of different interests the competition directors had to take into account the existence of some 250,000 separate licensing contracts in the Community.

Gareth Griffiths

PET bottles challenge glass and cans

A THIRSTY drinker of a non-draught beer rarely cares if the drink comes out of a can or a bottle, as long as he or she finds it satisfying and refreshing.

However, the way the beer is packaged will have played a bigger part than is usually considered in the decision to buy it in the first place. The package has to appear safe to handle and easy to open. It should not add unduly to the price of the beer and, above all, it should preserve the beer's flavour.

While the consumer may be only vaguely aware of these factors, they are being continually weighed by the brewing industry, together with the retail and distributive trade and the packaging manufacturers.

Against this background, Vincent Kehoe, managing director of Bass Sales, says he expects packaging as "the most dynamic element in beer retailing over the next 10 years."

As a purchaser of a wide range of cans and bottles, he acknowledges the advances being made by the British packaging industry, but also believes it is not being innovative enough.

Vincent Kehoe is particularly keen to see a wider variety of shapes being offered by makers of glass bottles. The last major change in shape offered by the glass industry was the wide-neck bottle in the late 1970s. It was devised as the glass-makers' belated answer to the can, but it failed to live up to its expectations.

Inroads Since then, both the glass-makers and the can-makers have faced another challenge — the PET plastic bottle, which has swallowed up 74 per cent of the take-home trade in little more than two years.

The advance of PET (polyethylene terephthalate) has been largely at the expense of the four and seven-pint tin-plate party can, which is now almost extinct.

However, it has also made further heavy inroads into the crumbling bastion of the returnable glass bottle. Under the

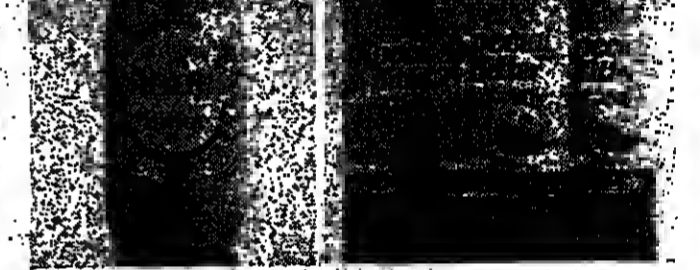
impact of PET, the glassmakers have been stimulated to come up with better labelling and stronger, lighter bottles. The major innovation in labelling is the 360 degree sleeves used by the main manufacturers. While United Glass uses the polystyrene Plastishield label, Rockware has gone for the PVC (polyvinyl chloride) sleeve, devised by Fuji of Japan.

United Glass is also understood to be developing an integral label on beer bottles, resembling that on door-step milk bottles and on some wine bottles. Brewers see this as a major advance with the tendency of glass bottles, increasing as has used for high-quality beers.

Undoubtedly, however, any innovation by glassmakers will be far less spectacular than the revolution caused by the advent of PET as the third runner in the race for the two-horse race (cans v. glass).

PET beer bottles were pioneered by Metal Box, the country's biggest packaging company, with encouragement by supermarkets, some of whom have an abiding bias against glass.

With demand from brewers rapidly catching up with Metal Box's capacity, other packaging manufacturers were not slow to enter the market.



PVC-sleeved glass bottle (left) and PET competitors

They had already been involved in making PET bottles for carbonated soft drinks. In making PET bottles for beer, they had to master the trick of coating each bottle with a layer of polyethylene glycol to keep the beer from seeping into the bottle.

Until last year, Metal Box had the market for PET beer bottles to itself. But its competitors now claim that this year they will grab more than 30 per cent of the market.

Metal Box's biggest challenger is Fibrenyle, part of the Mardon Packaging group owned by B.A. Industries and based at Corby, Northants, and Beccles, Suffolk. Other suppliers are the privately-owned Linpac and Okhai packaging concerns.

Already the biggest producer of PET bottles for fizzy drinks, Fibrenyle began making coated beer bottles at Corby last year, and entered the market thanks to its commercial links with Allied Lyons. It started with one and two-litre sizes and is about to add 1.5 litre bottles as well.

This year, Fibrenyle expects to produce 40m beer bottles, double last year's output. Before starting to use PET, brewers had to satisfy themselves that it would not affect the quality of the beer and that it would ensure a sufficient shelf-life. Originally, only 12 weeks shelf life was guaranteed, but major brewers such as Bass now say their beer in PET containers has a shelf life of 21

weeks—compared with 30 weeks on most cans. As with most new packaging developments, brewers initially relied on a contract packer for filling their PET bottles. There was also a technical reason for this — the normal brewery system of tunnel pasteurising is unsuitable for PET and it is necessary to flash-pasteurise the beer before filling it.

Invested The independent Davenport Brewery of Birmingham was one of the few UK operators to flash pasteurise its beer and therefore carried out much of the early filling for other companies. Now, however, many major breweries have invested in their own flash pasteurisers so that they can fill their own PET bottles.

Further development, meanwhile, is taking place on improving the performance of PET bottles. But PET will have to advance a long way before it can inflict serious damage on the popular 16 ounce can, which carried 72 per cent of the beer sold last year in the take-home trade.

Vincent Kehoe of Bass calls the 16 oz can "the model T Ford" of beer packaging. But even cans are not exempt from his plea for greater innovation—in cheap multipacks, more sizes and, above all, in better decoration.

Maurice Samuelson



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PROFILE: ALCOHOL CONCERN Comprehensive approach to alcohol abuse

"THE PROBLEM is not a liquid," says Diane Hayter, director of Alcohol Concern. "The problems are fundamentally personality or marital problems."

Alcohol Concern, the national agency on alcohol abuse, is only a few weeks old—a recent amalgamation of the various government-funded agencies on alcoholism. It intends to take an immediate, aggressive approach to both preventing the abuse of alcohol and helping those who already have drinking problems.

Ms Hayter stresses, however, that the agency does not plan to work against the brewing industry in its campaigns, but hopes to work with it. Alcohol Concern will be looking into three areas which affect the industry. The first is research. Through a number of universities, Alcohol Concern hopes to sponsor clinical research into the physical effects of alcohol on various groups of people.



Diane Hayter working with the industry.

A man having a drink during a moment of tension would be a bad use of alcohol. The aim, she says, is to reduce the glamour of drinking in television and movies, as it can often lead to abuse of alcohol.

The television series Dallas, she says, is particularly bad in its portrayal of drinking. The third area of concern is the design of pubs and the availability of soft drinks. "There should really be a choice of drinks in pubs, but when you have to pay £1 for a pint of lemonade and lime, I have to think they are pricing soft drinks to make you drink alcohol."

coffee, good food, soft drinks, fruit juices as well as beer at a pub. Socialising doesn't have to surround the consumption of alcohol.

Ms Hayter also points out that the ill effects of over-consumption can be eased by eating while drinking. Even so, she says, many pubs have nothing to eat, not even crisps. "These are the things I want to talk to the industry about," she says. Ms Hayter's own background is administrative: she was general secretary of the Fabian Society for several years between working on a Week in Politics at Channel 4 before joining Alcohol Concern.

"Problem drinking doesn't get the political attention it should. You have good lobbyists on spins, blitz, care for the elderly, but alcohol abuse isn't very high up on the political agenda. We have to educate people that alcohol is a damaging way to solve problems because it creates new problems," she says. The group will be dealing with individuals through 41 local councils and various regional councils. "We are trying to reach a different way of crisis management than hitting the bottle," Ms Hayter says. "This might be counselling, or playing a game of squash, or confronting the real problem whatever it is."

Carla Rapoport

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### BREWING V



Improved service such as a stronger emphasis on meals is likely to help pub remain profitable in the face of unchanged beer sales.

## More professionalism a key to pub service

POTTED PLANTS, discreet lighting, cocktails in the bar and early morning coffee before official opening hours are among the ingredients of the pub in 1984.

Even among men, mainstay of the British pub trade, market research shows very strongly that the most attractive feature of the "local" is not necessarily the beer.

A recent survey of 6,000 male pub-goers by Survey Plan elicited the response from 72 per cent that the main reason they visited their local was the company and atmosphere.

And while 27 per cent liked the beer, a surprisingly large number—14 per cent—mentioned the landlord.

"The management style of a landlord (and this should be equally true of managers as well as tenants) is viewed as paramount in importance by many consumers," a management consultancy told one of Britain's major brewers recently.

"The landlord's ability to make people feel welcome, to ensure efficient service and to show real interest in a pub is vital and is seen to be in decline. Criticism is most generally levelled at managers, many of whom are seen to be unmotivated and uncaring."

#### Morning coffee

Improved service and greater professionalism among pub staff is a key area for brewers as they concentrate on retailing in their outlets and offer services, such as early morning coffee, outside standard opening hours.

Grand Metropolitan's Host group, which manages the group's managed houses recently invited its 4,000 managers to the Albert Hall in London to talk about the group's strategy which includes new training techniques.

"As your houses take on a new look you must acquire new services and selling techniques," said Mike Kettle, the operations director told staff. "Selling has to become a professional accom-

plishment for you and your staff if we are to become the most successful retailing company in the mid-1980s."

Host's strategy, which includes new staff bonus schemes and each outlet being given its own financial target, has created considerable discontent among some managers but issues have now been resolved, according to the group's management.

But new skills are having to be acquired as more pubs are turned over to restaurants with drink rather than pubs with snacks, for example. For food is one profit growth area for brewers facing unchanged beer sales.

Mr Douglas Strachan, managing director of Allied Breweries, said: "Presentation of the freshest food is one of our major strategies."

While the major brewers have separate divisions concentrating on the provision of food, small brewers do not have the same resources. With rising consumer expectations about what they can find in a pub, this could put many of the small brewers at a disadvantage.

Higson's brewery in Liverpool said for example: "We have no plans for more sophisticated eating places. At the moment we have not got a separate catering department to deal with it."

One of the concerns of regional brewers is very much whether or not the more conscious retail marketing approach for pubs will succeed in pulling traffic away from traditional English pubs, still largely offered by regional companies.

Another question which the emphasis on marketing raises, according to Ruddle's Brewery, which has no tied houses but supplies its beer to major brewers and the off-licence trade, is whether or not a new style of job management will emerge in the late 1980s.

Ruddle said: "In managed houses the retail offer will be controlled precisely with key brands in each sector linked to

offer the strongest appeal to target consumers, including brands produced by third parties. Famous regional and national beer brands have an important traffic-building and credibility role to play in this style of specialist outlet.

The same principles apply equally to the tenancy trade but implementation will inevitably be more difficult without full control of the marketing offer made outlet by outlet.

#### Tensions

"Arguably one of the greatest tensions between brewer and tenant in the 1980s will be control of the marketing offer made to consumers outlet by outlet. This begs the question for the late 1980s whether the trade could see an emergence of a franchise style of pub management as opposed to tenanted."

"The tenancy system is already a kind of franchise," said the Brewers Society "and there are no signs of an increased number of independent houses. In fact, the number of managed houses has remained stable over the past 10 years—at about 13,800 while the number of tenanted houses has fallen from 41,000 to about 35,000, the fall very much being taken up by free houses which now number about 10,000.

The reason for an increase in free houses, said the Brewers Society, was that major brewers in pursuing rationalisation programmes had divested themselves of one pub, for example, in a small community where the brewer had perhaps two outlets.

The new emphasis on marketing, the society said, was being more vigorously pursued among managed houses, which now often had specialist management, such as Host and Imperial Leisure & Retailing. However, enterprising tenants would probably become increasingly involved. "A lot depends on the licensing laws," the society said.

Lisa Wood

## Greater energy savings possible

AS IT gloomily surveys the steady decline in beer consumption, Britain's brewing industry can at least congratulate itself on its remarkable record in cutting its energy consumption in its breweries.

This is now 16.5 per cent less than in 1976, and had demand not fallen unexpectedly between 1973 and 1982, when these savings were achieved, the industry might have achieved the 20 per cent cut it had sought in those four years.

The extent of the industry's achievement was revealed in January at a special conference of the Brewers Society.

The conference's most salient finding, however, was that while the brewers still have room for greater efficiency in the breweries, they can also make big energy savings elsewhere.

According to Dr Leslie Malkin, of the Government's Energy Technology Support Unit (ETSU), while breweries spent £80m on energy (at 1984 prices), the overall annual energy bill for pubs, restaurants and small hotels (fewer than 50 beds) was £470m.

In Dr Malkin's view, it should be possible to reduce the energy consumption of the pub, hotel and catering industry by at least 30 per cent using measures known today and without any lowering in comfort levels or standards of service.

The two largest items on the energy bill of a pub are space heating and lighting with the boiler as the largest single user. The remainder is used for domestic hot water, cellar cooling and cooking.

In addition to upgrading the equipment associated with these services, Dr Malkin suggested the use of heat pumps for cooling the cellar and providing hot water.

With support from the Energy Department, Allied Breweries has already installed heat pumps as a demonstration scheme in six premises.

Heat recovery is already identified as the main conservation method in the brewing process itself, which involves such energy intensive activities as mashing, washing, pasteurising and cooling.

Brewers are among the companies who have decided to use coal instead of fuel oil or gas for steam raising. John Smith's Tadcaster Brewery and the Bass Mirfield Maltings have both installed coal-burning fluidised bed combustion boilers, helped by Government grants.

However, this is by no means a general trend. As the accompanying table shows, not all has benefited least by the brewers' move away from oil. The major switch has been to gas.

TOTAL ENERGY USED BY BREWERIES			
	1976		1982
	%		%
Electricity	11.0	13.4	
Gas	27.0	41.7	
Coal	13.0	12.4	
Oil (all types)	49.0	30.5	
	100.00	100.0	

Source: Brewers' Society

## Improvements in the industry have been met by a muted response City takes a cautious view

THE BREWERS' shares went rather flat on the stock market last year after quite a bubbly 1982 which had seen many of them significantly upgraded. Their relative performance so far into 1984 has strengthened a little, but they are still far from being the darlings of the market.

The City's simplest explanation for this is that the brewing sector has long been regarded as a defensive investment, good as a hedge in bear markets but hardly the stuff of an exciting bull market portfolio. It ought not to be too surprising, therefore, that the brewers and distillers—which share the one FT Actuarial index—should have been left behind by last year's market action. They in fact underperformed by 20.5 per cent.

Unfortunately for the brewers, there is another explanation. It is less simple and it poses far trickier questions for those already invested in the sector.

Even though it has performed broadly in line with the rest of the stock market over the past few months, the sector's share price index is still at a very low point in historic terms. This leaves the brewers' investment looking a bit thin—particularly so given the weight of buy recommendations from some stockbrokers impressed by the time and money spent by the brewing industry on itself since the late 1970s.

The huge capital investment in lower cost production facilities, the efforts made to broaden the trading base beyond the traditional beer and skittles, the concern of the brewers to develop a new image better suited to changing consumer patterns—none of this has passed unnoticed in the City. Yet the shares still trade with remarkable uniformity around p/e multiples—using forecasted earnings per share figures on an actual basis—of 9.10 for the big national groups and about 9.12 for most of the regional brewers.

As this muted response might suggest, there are in fact two broad schools of thought within the stockholding community and the poor performance of the sector has reflected the ascendancy for some time now of the more pessimistic of the two.

To summarise the latter's

case, beer consumption trends leave no doubt that brewing is an ex-growth industry and the complexity of the changes facing it invites deep scepticism about the strategic antidotes currently on offer. There are parallels to be drawn here between beer and tobacco, say the pessimists, and the new, low inflationary environment has revealed the poor growth prospects for both products as never before.

In the opposing camp, one or two analysts remain conspicuous for their confidence that production volumes will begin to grow again, even on a longer-

steps to date as Allied's merger with Lyons or Bass's purchase of Coral Leisure have caused bed attacks of nervousness in the City.

In these circumstances, radical management changes can have a remarkable impact in the stock market and it is no coincidence that the two best performers in the sector over the past 12 months are Guinness and Scottish & Newcastle: they have risen by 55 and 50 per cent respectively.

In Guinness's case, the market has acknowledged an efficient clearing of some very cluttered decks. Investors prob-

ably remain unconvinced that Guinness can squeeze new growth out of its domestic markets; but the new management has at least inspired some confidence that its product could yet win fresh markets overseas—or be made, perhaps, the basis of some rather more coherent diversification.

Scottish & Newcastle has impressed the stock market by matching tight financial controls with a good strategic position within the industry—both geographically and vice-versa its retailing profile—and translating both into strong profits growth. As with Guinness, S & N's shares have enjoyed a measure of speculative interest as well.

Elsewhere in the sector, meanwhile, share prices have been more obviously subject to the continuing scrutiny of consumer trends. Statistics in the brewing industry can be more questionable than most and endless discussion of the trends might therefore have set the scene for a dull market; but

there have been at least three lively sub-plots.

The first has seen the shares of the regional brewers cast down from the elevated positions bequeathed to them by all the enthusiasm for real ale. As the recession gathered pace, investors looked to the regional brewers to prove they were more adept than the national groups at consumer marketing—and better positioned, too, to sustain volume growth by expanding their share of the national market.

Many investors appear to have taken one look at last year's interim profits and decided that this optimism was misplaced. As a result, companies like Boddingtons and Greene King saw their p/e multiples in the stock market cut from 20 or more to the 10-12 range. However, the brokers' support for many regional brewers has not been entirely eroded and some, like Vaux or Wolverhampton & Dudley, have attracted fresh recommendations this year.

Second, there has been a steady growth of interest in the brewers' declared strategy of arresting the commercial decline of the public house. Leisure retailers still seem an unlikely professional description of a good many publicans; but all the major groups have been spending heavily on the refurbishment of their tied estates.

Here again, the City's attitude is split sharply between those who welcome the strategy and those who doubt that such lavish capital expenditure can possibly be truly cost effective, given the size and marketing approach of the national brewer.

This reassessment of their traditional market has led some of the brewers directly into food retailing, notably Whitbread which earlier this month disclosed the possibility that it might purchase Henkey Inns from Trusthouse Forte. Diversification has provided a third major focus of the stock market's interest in the sector.

Hotel chains and holiday businesses have been two key areas, for brewing as for one or two of the distillers. In the light of Scottish & Newcastle's successful development of its Thistle Hotels, there is perhaps a little more confidence that diversification in these directions can bring rewards.

Duncan Campbell-Smith



The Bass plant at Runcorn. Huge capital investment by breweries has reduced production costs.

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TOTAL ENERGY USED BY BREWERIES			
	1976		1982
	%		%
Electricity	11.0	13.4	
Gas	27.0	41.7	
Coal	13.0	12.4	
Oil (all types)	49.0	30.5	
	100.00	100.0	

Source: Brewers' Society



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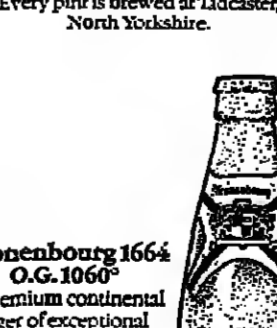
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COURAGE

## Small brewers a tougher breed

ABOUT 20 small breweries have gone to the wall in the past year but the survivors are a tougher and more wily breed, developing flexibility and learning from the mistakes of others.

Tim Chudley of Chudleys Ales in Middle Vale, London, gained a Master's degree in brewing from Birmingham University and used redundancy money to set up his own small brewery in 1981. He now supplies the London free trade with three different beers from his 16-barrel brewery and has plans to double capacity. Turnover has risen from £60,000 to £200,000.

He says the failures in the industry have come through brewers "lacking the necessary technical and business skills, plus having the wrong financial set up."

"They borrow too much money and put strain on the business when initially they should be concentrating on building a reputation and not trying to sell large volumes of beer."

The latest brewers in trouble are Tisbury Brewery in Wiltshire, which last year had debts of £35,000 and needs £25,000 to keep on trading. Fortunately, shareholders have agreed to pour more money in.

The latter second generation brewers are the ones now busily buying up pubs, so as not to be at the mercy of the tied trade (much of which extends into the



David Bruce taps a barrel. He resisted the urge to borrow money at any cost.

ostensibly free trade) and developing sidelines such as building brewery plants to see them through the thin times.

Mr Peter Austin, chairman of the Small Independent Brewers' Association (SIBA) says: "Most of us realise that with the awful battle for the free trade, we are forced into buying our own pubs. As regards return on capital, a small brewery owning about 20 pubs might be the most rewarding."

Other savings are on transport, time and salaries since brewers can double for publicans and brewers can charge their own landlords an additional retail profit.

Austin now has four outlets himself, the latest being the

Old Thumper in Bourne-moort, due to open in a week's time. He plans to continue buying pubs at the rate of one a year.

Some small independents simply cannot afford to buy pubs, especially on expensive city sites. But Peter Austin adds: "A small brewery with a reasonable track record which brews good beer and doesn't go bust, must be worth backing when it gets to the stage of wanting to buy some."

On the other hand, small brewers must be careful they do not sign their ownership away in the eagerness to borrow money. This was a problem faced but neatly side-

stepped by Bruce's Breweries in London.

David Bruce, 30, set up in 1979 after he spotted a boarded-up ex-Trumans pub in Southwark, South London. With a second mortgage and bank and brewery loans, he turned it into the Goose and Firkin with his own beer on tap. He now has five such pubs and is planning a sixth.

But two years ago he nearly came to grief as he realised that his hard-working efforts were becoming too complicated to handle. He sought the advice of management consultants Touche Ross. "After seeing them I realised that I needed a chartered accountant on the board and should delegate more and concentrate on what I was good at. I was very lucky."

Instead of borrowing the £300,000 he needed by selling 20 to 25 per cent of his business to a pension fund or the OTC, he went to the IFC because it was willing to buy only 10 per cent "and they let you run the company yourself."

Fergus Falk, a partner at Touche Ross, points out that small breweries have to follow exactly the same rules as other businesses of their size: "They have to plan properly and have a fall back if things go wrong—it's best to diversify. But if you're going to have all your eggs in one basket, they'd better be good ones."

Elisabeth Baker

# BANKING ON A CLASSICAL NOTE

Bank of Montreal is proud to sponsor the Montreal Symphony Orchestra's 1984 European Tour

Geneva ■ Berne ■ Lausanne ■ Zurich ■ Munich  
Berlin ■ Hamburg ■ Bonn ■ Frankfurt ■ Paris  
Stuttgart ■ Mannheim ■ Basle ■ London



## APPOINTMENTS

### Deputy chairman of CEGB

The Secretary of State for Energy, has re-appointed Mr Fred E. Bonner as deputy chairman of the CENTRAL ELECTRICITY GENERATING BOARD for two years from April 16. He has been a full-time member of the board since January, 1983, and deputy chairman since April 1975.

Mr C. D. Smith, group financial controller and company secretary, has been appointed a director of ARGYLL GROUP. He joined Argyll Foods as financial controller in 1979, and was appointed group financial controller and company secretary following the merger of Argyll Foods and Amalgamated Distilled Products. Mr Smith will also join the boards of Argyll Foods and Amalgamated Distilled Products.

Three senior executives of the Burmah Group, Mr S. E. Churchfield, Mr J. M. Fry and Mr E. F. D. Wilson, have been appointed to the board of BURMAH OIL. Mr Churchfield is chief executive, exploration and production; Mr Fry is chief executive, speciality chemicals and Mr Wilson is group personnel director.

Mr Michael Orr, former chairman and chief executive of the Colt Car company is chairman of the newly-formed MORE ENERGY company of Kingsbridge, near Totnes, South Devon.

Ms Cynthia Jacobs has been appointed financial director of NICO MANUFACTURING, a division of Walter Lawrence Manufacturing, a wholly-owned subsidiary of Walter Lawrence. She is the first female director to be appointed since Walter Lawrence went public in 1975. She was company secretary and financial accountant to Nico.

SECOND ALLIANCE TRUST has appointed Mr Robert C. Smith as its chairman in place of Mr George W. Dunn who retires.

VULCANA GAS APPLIANCES of Crawley, Sussex, has appointed Mr Stephen Brentnall

to its board as financial director. He has been Vulcana's commercial manager for eight years, and before that its auditor.

Mr E. S. Hunter has been appointed chief executive Gulf of GRAY MACKENZIE AND CO.

Dr Jeffrey Butcher, has been appointed a non-executive director of the FRANK HORSELL GROUP, of Morley, Leeds, a manufacturer of lithographic printing plates and equipment. Dr Butcher is chairman and managing director of Yorkshire Chemicals, of Leeds and Selby.

Mr Howard Eades-Smith has been appointed marketing manager for RIZ COMPUTER SERVICES, the Bristol-based software house specialising in financial accounting systems. He was media manager at Advertising Contract.

The new board of VG DISTRIBUTORS (formerly AGD) will be: chairman, Mr R. S. Jacques, chairman Amalgamated Foods; Mr E. Thompson, managing director Watson and Phillip; Mr J. R. H. Agnew, chairman John Henderfson; Mr J. Black, managing director Booker Food Services; and Mr G. W. Parsons, deputy managing director Amalgamated Foods.

Following the acquisition of the Twinlock Group, Acco World Corp has appointed Mr George Goode president, ACCO EUROPE in succession to Mr Jeffrey Hewson. Acco's European head office is at Beckenham in Kent. Mr Goode is responsible for all Twinlock and Acco operations in Europe, South Africa, Australia and New Zealand, he was managing director of Twinlock.

Mr Philip Sheldon, who joined K&E DEVELOPMENT last September as a senior consultant, has been appointed a director.

ONES FAULKNER, the Colnbrook-based specialist forgermaster, has made the following board appointments and functions: Mr William B. Clee is

works director; Mr Kenneth Lebb is commercial director; Mr David J. Cooke, production director and Mr David J. Worrall personnel director.

Mr David Crofts has been appointed vice president and general manager of the computer systems operations of SPERRY in the UK and Ireland. He takes over from Mr W. R. Read who has resigned.



Mr David Crofts, vice-president and general manager, Sperry computer operations

Crofts will also be appointed managing director of Sperry Ltd, the UK subsidiary of Sperry Corporation. Mr Crofts was vice president and managing director of Faradyne Europe, and before that held directorships and senior management posts with Honeywell UK.

Mr Bernard Sawlings has been appointed managing director of CARBOPOL.

Prof Tony Cusens has joined Harry Stanger as non-executive director. He becomes chairman of the company's technical development committee. Prof Cusens is head of the department of civil engineering at the University of Leeds.

Mr Michael K. Holloway has been appointed a non-executive director of FEDERATED HOUSE-

ING. He is a non-executive director of the Anglia Building Society.

DECLAN KELLY GROUP has appointed three non-executive directors to the main board. They are Mr Larry Coyne, head

of business development at Channel 4, Mr David Besty, senior partner of Knapp-Fishers, and Mr Eric Lewrie, formerly with Barclays Bank.

Following his retirement on March 31, Mr F. R. D. Holland is to continue as a director of C. E. NORTON in a non-executive capacity.

COMMERCIAL UNION ASSURANCE has appointed Mr R. S. George deputy group marine manager and underwriter. Mr F. L. Evans has become assistant group marine manager in addition to his position as underwriter, indemnity marine.

Mr Alan Charlewit has been appointed managing director of MINTEL PUBLICATIONS. He joined in October last year as marketing director.

The INTERNATIONAL PETROLEUM EXCHANGE has appointed Mr Alexander Menzies and Ms Meg Ammesley to the board. Mr Menzies is managing director of Merrill Lynch Pierce Fenner & Smith (Brokers and Dealers) and Mr Ammesley is managing director of Tricentrol Oil Trading.

Mr Colin R. Corness, chairman of Redland who has been a non-executive director of Chubb and Son since 1974, has been appointed deputy chairman of CHUBB and SON.

Mr Christopher Lucy has been appointed a senior executive within AKROYD & SMITHERS, stockjobbers.

Mr Andrew King has been appointed deputy managing director of WILLIAM ELLIS (EXCHINGHAM). He joins from W. C. Hilton where he was chairman.

## ENERGY REVIEW

— every Wednesday in the Financial Times

# TWA Royal Ambassador Service is more than first class

TWA has brought a new dimension to first class. The comfort and luxury of its Sleeper-seats. The excellence of its food and wines. The warmth and attentiveness of its service. Quite simply TWA Royal Ambassador Service is a class apart. Isn't that what first class should be?

You're going to like us

See your TWA Main Agent for full details.

BIDS AND DEALS

UK COMPANY NEWS

Whitbread expands leisure interests in £10m THF deal

Whitbread, the major brewer, announced yesterday that it has bought the Henkeys Inn chain for £10.5m from Trusthouse Forte.

John Brown gets £2m on sale of Boalloy

By Alexander Nicoll
ENGINEERING GROUP John Brown has sold Boalloy, a maker of sliding-door bodies for commercial vehicles, back to its founders for £2m.

News Intl. underwrites Satellite TV rights call

BY RAYMOND SNODDY
Satellite Television, the company which runs Sky Channel, yesterday announced a £5.3m rights issue. The issue is being underwritten by Mr Rupert Murdoch's News International which last June injected £5m for 65 per cent of the equity.

Cambridge Elec.

Cambridge Electronic Industries is selling its subsidiary, Frye RF Systems, which makes radio frequency and heating and drying equipment for use in the woodwork and textile industries.

BIDS AND DEALS IN BRIEF

At an EGM of Marston Thompson and Evershed—the ordinary resolutions to approve the acquisition of the share capital and debentures of Border Breweries (Wrexham) were passed.

revised and will remain open for acceptance for 14 days from the posting of notification to the shareholders.

'Abnormal' UK claims hit CU

MR SANDY MARSHALL, chairman of Commercial Union, told shareholders at yesterday's annual meeting that the year had started very badly for the group.

Another 82 companies wound up

COMPULSORY winding up orders against the following 82 companies were made in the High Court:
South Hampshire Assurance Services (Investments), Stoverhoe, R. J. Sweeting, White & Company, Leech's Developments, Bradley Hall Chemicals, Inter-City Camara Centres, Transfer Carriers, Thornton Stewart, Kinross Engineering, Eagle Trucking, J. K. Electrical (Daventry), Windowcraft, David Abbott (Haulage), Zodiac (Fancy Goods), Breeding & Churcher (Engineering), C. L. S. Groundworks (Chertsey), Gards Developments, Keenfold, Copydow, Allerwick Farming, T. R. Demerston, Townley Smith & James Enterprises, Hatchbrook, Existalarm, Blazerfern, Ken Close (Properties), B.M.S. (West Midlands), Ian Banning, Jack Smith Turf Accountants (Stourport), Kegworth and District Services, Acrom Painting & Decorating (Middlesex), Buteamp, Puma Builders, Shadow of Lucy, Prinkat, E. F. Wilson Builders (Rugby), Treedone, Duhart Construction, James Owen & Co. (Builders), P. Hermans, G & F Group, Empira Jackets, Advance Advertising, N. C. Walling and Company, Quintongate, Saffron Contract Services (Eastover), Harl Har (UK), Sterling Growth Agencies, Donningway, Bellini Cosmetics, Morbec Meat Packers, Ronald Winger, Onsite Metalwork (Sutton), Town and Country Scaffolding, Cheshire Mail Order Company, Midland Cleaning and Bar Services, Omega Gifts, Five to Nine Secretarial Services, S.P.R. Chemicals, Forward Plastics, Ashburners (Floor Covering Services), Castle Service Station, Postwrights, A.D.S.O. Deal, Cubic Manor, Mithrose Builders, Jestico, Pelenger, Paterecrest, G H S Fire and Safety Equipment, Roverhite, Fickers, Bentley Construction (Soulhill), Vegas, Dryden Build, Proprietary Investments, Weston, Moore Services (Tyres), Ray Harris Marine.



Could this be YOU in a few years' time? remembering the friends who used to call. He saved, provided, through years of dedicated professional service to others. He looked forward to an old age of dignity and basic comforts - standards he'd known since childhood.

A Guide to Financial Times Statistics. New 1984 Edition. Price: £9.50 UK or £11/US\$19 overseas. Includes a small image of the book cover.

Table with 5 columns: Company Name, Current payment, Date of payment, Corresponding dividend, Total last year. Lists companies like Armitage Brothers Int, Ash & Lacy, Barrow Hepburn, etc.

Net tangible assets of Stampings at completion will be £1.7m. Vauxhall has cancelled the outstanding loan account with Stampings and has also injected a further £1m which the directors of Stampings will provide as a reserve against future losses.

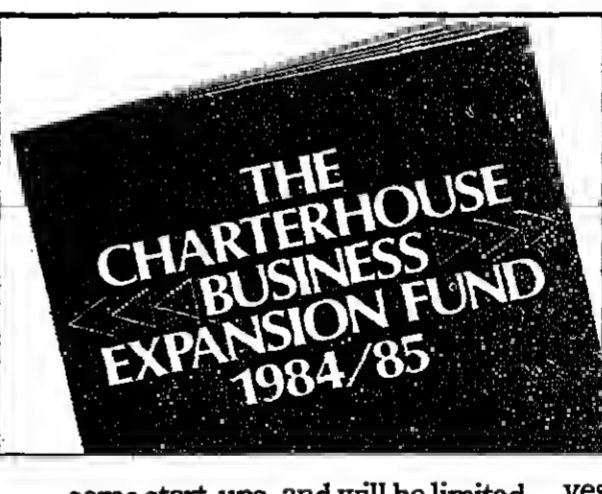
Announcing the Charterhouse Business Expansion Fund 1984/85

For all income tax payers who think a first class investment opportunity should be available more than once.

NOTICE OF REDEMPTION. Götabanken. U.S. \$25,000,000 Floating Rate Capital Notes due 1988. Notice is hereby given that, pursuant to the provisions of the Trust Deed dated 15th November, 1978, and Condition 5 (b) of the Notes, Götabanken has elected to redeem on 18th May, 1984, all of the outstanding Notes at their principal amount.

Eric Bolt, Manchester-based engineering company owned jointly by James H. Vickery and Co and P. Bamford and Co, has acquired for an undisclosed sum from the Reverend Mr Richard Stone of Cork Gully, the machine tool division of Edward Williams Engineering, trading as H. W. Ward and Co of Worcester, manufacturer and distributor of capstan and turret lathes.

Last August, we successfully launched one of Britain's first Business Expansion Funds. We had an excellent response from investors wanting to participate. As a result, the Charterhouse Business Expansion Fund 1983/84 became one of the relatively few funds which was oversubscribed.



potential return to investors is made even more attractive by the effect of tax relief. Investors should recognise, however, that such investments carry high risks as well as the chance of high rewards.

Malayan Banking Berhad. US \$60,000,000 Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche B. In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 18th April 1984 to 18th July 1984 has been established at 11 3/4 per cent per annum.

Acceptances of the offers on behalf of Cray Electronics Holdings of the shares of Cray Electronics not the subject of separate offers by Cray Electronics Holdings, have been received in respect of 9,327,014 new shares and 92,570,140 deferred shares, representing in each case 86.6 per cent of the shares offered for and 41.5 per cent of each class of share capital.

Among the wide variety of businesses in which we have invested are a hotel group with exciting expansion plans; a leading oil industry consulting group; one of the country's most famous dance and keep-fit studios and a fast-growing supplier of professional video equipment.

For 50 years Charterhouse has been in the forefront of providing finance and support to help British businesses grow and our experience in this field contributes to the selection of sound investments.

We are now launching a second and larger Fund - The Charterhouse Business Expansion Fund 1984/85. The new Fund will invest mainly in well established, unquoted companies, but also in

some start-ups, and will be limited to £7.5 million. Investors may subscribe a minimum of £2,000 up to a maximum of £40,000 and can obtain income tax relief on the qualifying investments made by the Fund.

Our objective is to invest in growing companies and the high

investor, a professional adviser, or indeed a company thinking about finance, send us the coupon and we'll send you full details of our new Fund. But please hurry because all applications from new investors will be treated on a first come, first served basis.

To: The Charterhouse Business Expansion Fund, 65 Holborn Viaduct, London EC1A 2DR. Name: Occupation: Address: FT17/4. The Charterhouse Business Expansion Fund is a Fund approved by the Inland Revenue under the terms of the Finance Act 1983.

MINING NEWS

Royal puts £225m value on life business

A SCRIP issue on the basis of one-for-four is to be made by the Royal Insurance Group. The proposal will be put to the annual meeting on May 10.

The report and accounts for 1983 includes for the first time a value on the group's substantial life operations. The directors have placed a value of £225m (119p per share) on the life business, though a firm of independent professional advisers has put a "going concern" value on Royal Life of at least 22 per share, after allowing for the effect on new business of the withdrawal of life assurance premium relief.

Mr Daniel Meinertzhagen, in his chairman's statement, points out that the group's policy of investing a substantial portion of its capital and reserves in equities and property has substantially contributed to the growth in 1983 of the underlying worth of the group.

This rose during the year from £123m to £143m, of which £14m of the increase came from the rise in capital values of the underlying investments. These figures excluded the value of the life operations.

As already reported, the group showed a marginal increase in pre-tax profits from £98.5m to £98.4m after making a loss of £5.4m on its general insurance operations, that is underwriting losses exceeded investment income attributable to the general insurance funds. The dividend was increased by 7½ per cent to 28.5p.

Mr Meinertzhagen warns that the experience of the first two months of this year reflects the continuing poor markets in North America and heavy storm damage claims in the UK. The U.S. account has also been hit by the severe East Coast tornado.

Mr John Howard, chief general manager of Royal, reports that the group has completed its restructuring exercise in Canada, which follows the restructuring in Australia the year previously. In the UK, the group has integrated its marine and engineering business and rationalised its branch structure.

In the U.S. it is relocating its head office away from New York and is undertaking a wide-ranging reorganisation of the structure designed to reduce costs, provide clear accountabilities and be responsive to the changing needs of the market.

Durban Deep and ERPM sell more gold forward

BY KENNETH MARSTON, MINING EDITOR

FURTHER forward sales of gold in the March quarter and announced by the Barlrow Band group's marginal South African mines, Durban Deep and East Rand Proprietary Mines (ERPM) in their March quarterly reports. Both, however, continue to make losses before the receipt of State assistance.

Because of the weakness of the rand against the U.S. dollar Durban Deep received a higher average price for its gold in the March quarter of R14,056 per kilogramme, compared with R14,792 in the previous three months, whereas the dollar equivalent fell to \$388 per ounce from \$397 in the December quarter.

Durban Deep, which produced 1,974 kg of gold in the March quarter, has sold forward 187 kg for the current quarter at a price of R18,350. Other sales are 466 kg for the third quarter at R16,521; 373 kg for the fourth quarter at R17,291; and 311 kg for the first quarter of 1983 at R15,143 (about \$453 per ounce).

ERPM produced 2,657 kg of gold in the March quarter and received an average price of R14,129 per kg. Its forward sales are: second quarter 187 kg at R16,350; third quarter 684 kg at R15,806; fourth quarter 436 kg at R17,362; 1985 first quarter 249 kg at R18,152.

No gold hedging sales were carried out by either Blyvooruitzicht or Harmony in the quarter. Both mines received higher average gold prices in the period but gold production was lower at Blyvooruitzicht owing to a fall in grade which offset the effects of increased milling.

Even so, the working profit on gold was slightly higher than in the December quarter and this together with increased income from uranium and sundry revenue left the mine with a pre-tax profit of R37.5m (£2.1m) against R30.1m in the previous three months. At the net level Blyvooruitzicht's profit for the latest quarter comes out slightly lower at R15.1m against R16.1m in the

previous three months. This reflects higher tax as a result of sharply reduced capital spending and an extra tax provision of R1.88m made in the quarter to cover the recent South African budget increases for the first nine months of the company's current year to June 30.

Harmony has also lumped together its extra tax (R1.5m) requirements for nine months in the March quarter figures. In this case a pre-tax profit of R39.8m compared with R35.9m in the December quarter becomes R24.7m against R26.5m at the net level, with again capital spending has fallen.

The latest net profits of the group mines are compared in the following table.

	Mar	Dec	Qtr
Blyvooruitzicht	15.1	16.1	15.7
Durban Deep	18.7	17.5	17.9
East Rand Pmp	1.7	3.8	4.0
Harmony	12.6	25.7	23.4

\* After receipt of State assistance.  
† Includes additional tax charge for year to date following changes in March budget.

Bond offer for Winthrop

AUSTRALIA'S Swan Brewery could secure control of the North Kalgoorlie gold mine in Kalgoorlie, Western Australia, and of the junior oil and gas exploration company Petro Energy if it is successful with a \$522.1m (£20.5m) bid for Winthrop Investments.

The brewery, part of Mr Alan Bond's Bond Corporation Holdings, has offered A\$3.85 per share in cash for Winthrop through an offshore called Votrain No. 68. The offer will

remain open for one month. Winthrop, master company of the Sydney entrepreneurs Mr Sam Gazi and Mr Ian Joye, last month put up for tender its 38 per cent holding in Mid-East Minerals. Mid-East holds 54 per cent of Metals Exploration, which in turn controls North Kalgoorlie Gold Mines with a stake of 29 per cent.

A successful bid for Winthrop would secure both of these holdings, and in addition Winthrop's 60 per cent stake in Petro

Energy, along with property interests valued by Winthrop at A\$21m. Apart from exploration surveys Petro Energy holds around A\$5m in cash realised from the recent sale of its interest in the South Pepper area.

The announcement of the bid came late last Friday. Since that time, Votrain has acquired around 21 per cent of the Winthrop equity, and the Winthrop share price has dipped to about A\$3.52.

MINING NEWS IN BRIEF

**Pine Creek**  
INCREASED ore reserve estimates are announced for the Pine Creek gold prospect, southeast of Darwin in Australia's Northern Territory. It is a joint venture between Entores Gold Mines (51 per cent) and the Consolidated Gold Fields group, which follows the restructuring in Australia the year previously.

TALKS have been resumed at the Australian lead-zinc-silver mining district at Broken Hill in New South Wales in an attempt to resolve the industrial dispute which has halted mining operations since March 28. Companies affected are Broken Hill South and CRA.

Mr C. Allen Bora, chairman of Placer, told an AFDow Jones reporter that the company may acquire a mining or an oil and gas company this year but has no firm plans.

So far, however, no progress has been made according to Mr Justin O'Connell, manager of the Broken Hill Mining Managers' Association. The workers are seeking a wage rise of A\$50 (£22.20) per week while 25 companies, which produce nearly half Australia's lead and over 40 per cent of its zinc, have countered with productivity proposals and have closed the mines.

He added that Placer's first quarter results, due shortly, will show a substantial improvement. Placer returned to profitability in 1983 with earnings of C\$29.3m (£18m), or 70 cents per share, following a loss of C\$20.3m in 1982.

Canada's Placer Development

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or purchase any securities.

U.S. \$150,000,000

Morgan Guaranty Trust Company of New York

(A trust company organized under the laws of the State of New York, U.S.A.)

12¼% Deposit Notes Due April 25, 1989

The following have agreed to purchase the Deposit Notes—

MORGAN GUARANTY LTD

- |  |  |
|--|--|
| CREDIT SUISSE FIRST BOSTON LIMITED                 | DRESDNER BANK AKTIENGESELLSCHAFT               |
| GOLDMAN SACHS INTERNATIONAL CORP.                  | MERRILL LYNCH CAPITAL MARKETS                  |
| MORGAN STANLEY INTERNATIONAL                       | SALOMON BROTHERS INTERNATIONAL LIMITED         |
| SWISS BANK CORPORATION INTERNATIONAL LIMITED       | UNION BANK OF SWITZERLAND (SECURITIES) LIMITED |
| ALGEMENE BANK NEDERLAND N.V.                       | AMRO INTERNATIONAL LIMITED                     |
| BANK OF TOKYO INTERNATIONAL LIMITED                | BANQUE BRUXELLES LAMBERT S.A.                  |
| BANQUE NATIONALE DE PARIS                          | BANQUE PARIBAS                                 |
| BAYERISCHE VEREINSBANK AKTIENGESELLSCHAFT          | BARING BROTHERS & CO. LIMITED                  |
| CITICORP CAPITAL MARKETS GROUP                     | BERLINER HANDELS-UND FRANKFURTER BANK          |
| CONTINENTAL ILLINOIS CAPITAL MARKETS GROUP         | COMMERZBANK AKTIENGESELLSCHAFT                 |
| CRÉDIT AGRICOLE                                    | CREDIT COMMERCIAL DE FRANCE                    |
| CRÉDIT LYONNAIS                                    | DAIWA EUROPE LIMITED                           |
| ENSKILDA SECURITIES SKANDINAVISKA ENSKILDA LIMITED | IBJ INTERNATIONAL LIMITED                      |
| LEHMAN BROTHERS KUHN LOEB INTERNATIONAL, INC.      | LOYDS BANK INTERNATIONAL LIMITED               |
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| SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.                    | SOCIÉTÉ GÉNÉRALE SVENSKA INTERNATIONAL LIMITED |
| S.G. WARBURG & CO. LTD.                            | WOOD GUNDT LIMITED                             |
| YAMAICHI INTERNATIONAL (EUROPE) LIMITED            |  |

The Deposit Notes, issued at 100 per cent in denominations of U.S. \$5,000, have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Deposit Note. Interest is payable annually in arrears on April 25, the first payment being made on April 25, 1985. Full particulars of the Deposit Notes and the Issuer are available in the Extel Statistical Service and may be obtained during usual business hours up to and including May 1, 1984 from—

Cazenove & Co.  
12 Tokenhouse Yard  
London EC2R 7AN

Morgan Guaranty Ltd  
30 Throgmorton Street  
London EC2N 2NT

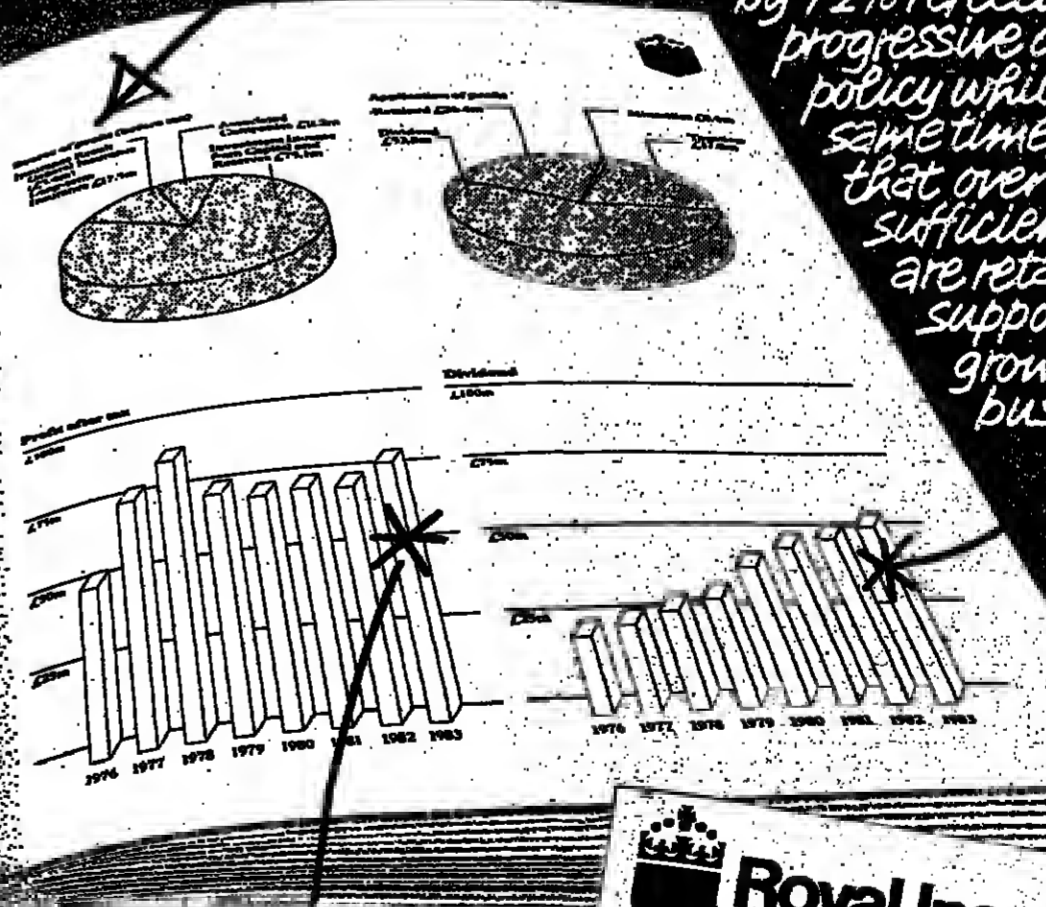
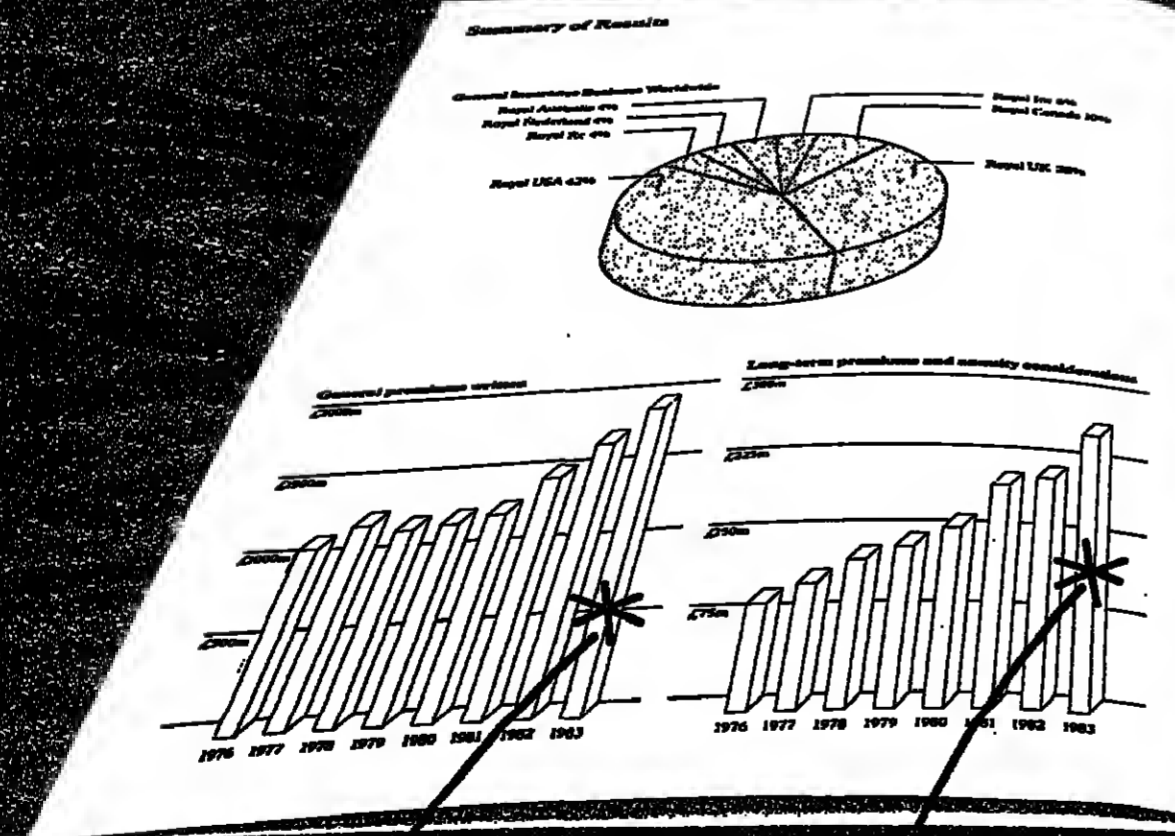
April 17, 1984

ROYAL INSURANCE 1983

NB— one for four scrip issue.  
There was another sharp rise in the net worth of the group from £1,225m in 1982 to £1,427m in 1983

Pre-tax profits increased to £98.4m—significant improvements in long-term insurance profits, share of associated companies' profits and investment income from capital and reserves outweighed some worsening in the general insurance result

The dividend increased by 7½% reflecting a progressive dividend policy whilst at the same time ensuring that over a period sufficient earnings are retained to support the growth of business



General premiums written were more than £1,900m

New life business written by Royal Life during 1983 was a record—new annual premiums increased by 117% and new single premiums rose by 77%

Profit after tax was up 10% at £80.2m

**Royal Insurance**  
Please send me a copy of the Report & Accounts for the year ending December 31st, 1983.  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
To: The Secretary, The Royal Insurance plc, Group Head Office, 1 Cornhill, London EC3V 3QR.



SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday April 17 1984

17 APRIL 1984

NEW YORK STOCK EXCHANGE 38-40
AMERICAN STOCK EXCHANGE 38-40
U.S. OVER-THE-COUNTER 40-48
WORLD STOCK MARKETS 40
LONDON STOCK EXCHANGE 41-43
UNIT TRUSTS 44-45
COMMODITIES 46 CURRENCIES 47
INTERNATIONAL CAPITAL MARKETS 48

WALL STREET

Uncertainty persists on rates path

BOTH fixed-interest and stock markets resisted an initial bout of weakness on Wall Street yesterday, helped by favourable views on the investment outlook by analysts at several major investment houses...

significant economic data on industrial progress and consumer spending. Both sectors of the securities market steadied yesterday after the announcement of a modest gain in the rate of factory capacity in March from 80.7 per cent to 80.9 per cent.

Losses in the bond market were trimmed to around one quarter of a point, with the key 2013 long bond 1/2 off at 94 1/2, to yield 12.84 per cent.



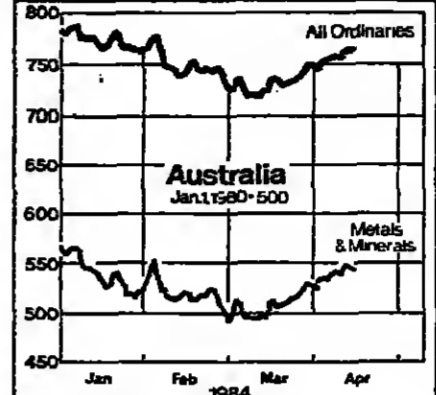
EUROPE Start seen of move to seek cover

THE RUN-UP to Easter began with European bourse investors seemingly reconciled to a week of low turnover levels dominated by a cautious adjustment of positions in order to limit exposure over the holiday period.

TOKYO Momentum begins to moderate

A SIXTH consecutive gain was achieved by Tokyo stocks yesterday, but the momentum slowed toward the close, writes Shigeo Nishizaki of Jiji Press.

Y4,260. Banyu Pharmaceutical spurred Y54 to Y885 and Sankyo Y31 to Y768.



AUSTRALIA

RELUCTANCE to take positions ahead of the extended Easter holidays was the cause of lacklustre trading in Sydney as the All Ordinaries index edged 0.5 up to 764.5.

SINGAPORE

THE LOWEST trading volume of the year exacerbated a broad decline in Singapore with the Straits Times index 6.81 lower at 1,000.55.

LONDON The buyers beat a big retreat

THE SUDDEN withdrawal of recent buyers in London equity markets pulled the FT Industrial Ordinary index 20 points down to 875.2, the heaviest fall for 2 1/2 years...

HONG KONG

THE VISIT by Sir Geoffrey Howe, Britain's Foreign Secretary, to Peking induced most Hong Kong investors to the sidelines yesterday as the Hang Seng index slipped 0.22 to 1,075.48 in slow trading.

KEY MARKET MONITORS table containing: End Month Figures, Standard & Pooors 500, Dow Jones Industrial, FT-Industrial Ordinary, STOCK MARKET INDICES (NEW YORK, LONDON, TOKYO, AUSTRALIA, AUSTRIA, BELGIUM, CANADA, DENMARK, FRANCE, WEST GERMANY, HONG KONG, ITALY, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD), CURRENCIES (U.S. DOLLAR, STERLING), INTEREST RATES (Euro-currencies, FT London interbank fixing), U.S. BONDS (Treasury, Corporate), FINANCIAL FUTURES (U.S. Treasury Bonds, U.S. Treasury Bills, U.S. Treasury Notes), COMMODITIES (Silver, Copper, Coffee, Oil).

Modular Computer and Software Systeme made a potent debut on the regulated official market, climbing to DM 304 from a DM 185 issue price.

Brussels edged upward, helped by a results-inspired BFR 100 gain in wire maker Bekaert at BFR 3,630.

A narrowly mixed Zurich had Nestlé SwFr 15 easier at SwFr 5,075 after Friday's SwFr 75 advance on its higher payout and rights issue plans.

Bonds held quietly steady. A better Stockholm tone emerged after the distress caused at the end of last week by government economic measures.

DECLINES predominated in Toronto but were centred on gold issues and the energy sector while base metals and minerals held up somewhat better.

We develop returns.

Advertisement for Kuwait Real Estate Investment Consortium featuring a large skyscraper illustration and text: 'Real estate has proven to be the optimal investment especially in difficult economic conditions. Our experience, contacts and know-how have ensured good and consistent returns on our growing investments.'



NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 16

Main table containing stock prices for various companies, organized in columns with headers for stock names and prices.

Closing U.S. share prices were not available for today's edition because of industrial action at the Financial Times printers in Frankfurt.

Continued on Page 39

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AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Table of American Stock Exchange Composite Prices, listing various stocks with columns for 12-month high/low, current price, and change.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Table of New York Stock Exchange Composite Prices, listing various stocks with columns for 12-month high/low, current price, and change.

Notes and disclaimers regarding the data provided in the tables, including information about annual adjustments and data sources.

WORLD ECONOMIC INDICATORS every Monday in the Financial Times

WORLD STOCK MARKETS

Nasdaq national market 3pm prices

AUSTRIA

Table of Austrian stock prices including companies like Creditanstalt, Gessner, and Perin.

GERMANY

Table of German stock prices including companies like AEG, Allianz, and Bayer.

NORWAY

Table of Norwegian stock prices including companies like Bergen Bank and Christiania BK.

AUSTRALIA (continued)

Table of Australian stock prices including companies like Can Prop Trust, Harle, and Hartog Energy.

JAPAN (continued)

Table of Japanese stock prices including companies like Dai Nippon Printing, Daiwa Kangyo Bank, and Fuyo Bank.

OVER-THE-COUNTER

Table of over-the-counter stock prices including companies like AFG, AGS, and AIG.

BELGIUM/LUXEMBOURG

Table of Belgian and Luxembourg stock prices including companies like ARBELO, Belg Int, and Belfort.

SPAIN

Table of Spanish stock prices including companies like Banco de España, Banco de Vizcaya, and Banco de Santander.

SWEDEN

Table of Swedish stock prices including companies like ASEA, Astra, and Astra AB.

HONG KONG

Table of Hong Kong stock prices including companies like Bank East Asia, Bank of China, and Bank of Communications.

SINGAPORE

Table of Singapore stock prices including companies like Bank of Singapore, Citicorp, and Citicorp Finance.

SOUTH AFRICA

Table of South African stock prices including companies like Abemcon, Anglo American, and Anglo Coal.

DENMARK

Table of Danish stock prices including companies like Aarhus Dile, Bredsbank, and Bredsbank.

ITALY

Table of Italian stock prices including companies like Banca d'Italia, Banco di Napoli, and Banco di Sicilia.

NETHERLANDS

Table of Dutch stock prices including companies like ACP Holding, AKZO, and Alkermat.

SWITZERLAND

Table of Swiss stock prices including companies like Alusuisse, Bank Leu, and Bank Leu.

JAPAN

Table of Japanese stock prices including companies like Aikawa, Aikawa, and Aikawa.

FRANCE

Table of French stock prices including companies like Air Liquide, Alcatel, and Alcatel.

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NETHERLANDS

Table of Dutch stock prices including companies like ACP Holding, AKZO, and Alkermat.

AMERICAN

Table of American stock prices including companies like 12 Month, High, Low, and Close.

AMERICAN

Table of American stock prices including companies like 12 Month, High, Low, and Close.

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Table of American stock prices including companies like 12 Month, High, Low, and Close.

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AMERICAN

Table of American stock prices including companies like 12 Month, High, Low, and Close.

LONDON

Chief price changes (in pence unless otherwise indicated)

Table of London stock price changes including companies like Chan, Tun, Invs, and Lloyds.

FALLS

Table of London stock price falls including companies like Tr. 124 1992, and Allied Lyons.

RISKS

Table of London stock price risks including companies like OCB to Osea, and Osea.

NEW YORK

Table of New York stock prices including companies like IBM, and IBM.

INDICES

Table of various stock indices including Standard and Poors, and NYSE.

NEW YORK

Table of New York stock prices including companies like IBM, and IBM.

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LONDON STOCK EXCHANGE

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MARKET REPORT

Equity leaders sustain heaviest fall for 2 1/2 years Gilt-edged also lose ground

Account Dealing Dates

First Declared Last Account Dealings Dates
Apr 9 Apr 26 Apr 27 May 8
Apr 30 May 10 May 11 May 21
May 14 May 31 June 1 June 11

The heaviest fall for 2 1/2 years had London equity traders recalling another black Monday, in September 1981, when the FT Industrial Ordinary share index dropped alarmingly.

The weakness was almost entirely confined to leading shares, especially those favoured by American investors.

Largely owing to the dearth of buying interest, profit-taking sales have increasingly more difficulty to absorb.

Government securities had to contend with rising short-term U.S. interest rates and Friday's slump in U.S. bond values.

Clearer fall Fund raising fears and overseas debt worries continued to weigh heavily on the major clearing banks.

Lloyds lost 10 to 620p, Midland, depressed market since news of first-quarter loss.

Bid favourite Commercial Union slipped 4 to 22 1/2p following the chairman's gloomy statement about first-quarter trading.

The Bank of Scotland gave up 7 to 64 1/2p; the annual results are due tomorrow. Elsewhere, Kinross remained volatile and reacted to 140p before renewed speculative demand left the close just 3p cheaper on balance at 150p.

Other Composite Insurances were generally dull but Royal Bank was helped by Life business revaluation contained in the annual report.

First-time dealings, Fledgling Japan Investment Company shares opened at 22 1/2p while the Warrants started at 23p and slipped to 22p before closing at 24 1/2p.

The Chemical sector displayed a bright feature in Laporte which rose 38 to 45 1/2p, after 43 1/2p on the previous day.

FINANCIAL TIMES STOCK INDICES

Table with columns for Index, 1984, 1983, 1982, 1981, 1980, and Year change. Includes Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table showing High/Low for Govt. Secs, Fixed Int., Ind. Ord., Gold Mines. Includes S.E. Activity and daily changes.

Lament responded to good preliminary figures with a rise of 7 1/2 to 58 1/2p, while weekend Press masthead stimulated occasional demand for Channel Tunnel, up 30 to 125p in a limited market.

Among Publishers, renewed nervousness surrounding the pending Reuters flotation clipped 8 from Fleet at 16 1/2p.

The recent upsurge in Oils was brought to an abrupt halt. An initial mark-down was followed by a sharp rally at around midday.

Recent favourites BP and Lloyds were particularly vulnerable and fell 1 1/2p to 490p and 330p respectively.

Overseas Trader Roustead fell 5 to 90p, the omitted final dividend and 52p net annual profits.

Turnover in mining markets remained at a low level. A general lack of interest in precious and base-metal prices and a weak performance by domestic equities prompted widespread, albeit minor losses.

London-registered Financials continued to lose ground, although selling pressure was reported as minimal.

Marked down initially, leading miscellaneous industrials drifted lower still on light selling.

5 from recent takeover favourite Newbold and Burton, 11 1/2p. Received fears of a possible Stock Exchange inquiry into its dealings left Strong and Fisher 7p cheaper at 18 1/2p.

Down to 410p at one stage, Hawker rallied shortly to close a couple of pence firmer on balance at 419p on last support ahead of today's preliminary statement.

Beecham on offer Marked down initially, leading miscellaneous industrials drifted lower still on light selling.

RECENT ISSUES

Table of Equities with columns for Issue, Price, High, Low, Stock, etc.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks with columns for Issue, Price, High, Low, Stock, etc.

"RIGHTS" OFFERS

Table of Rights Offers with columns for Issue, Price, High, Low, Stock, etc.

ACTIVE STOCKS

Table of Active Stocks with columns for Deal, Declared, Settlement, etc.

FRIDAY'S ACTIVE STOCKS

Table of Friday's Active Stocks with columns for Stock, Price, Change, etc.

FT-SE 100 INDEX

Table for FT-SE 100 Index showing values and changes.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Group, Index, % Change, etc.

FIXED INTEREST

Table of Fixed Interest with columns for Index, % Change, etc.

AVERAGE GROSS REDEMPTION YIELDS

Table of Average Gross Redemption Yields for British Government, etc.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Series, Vol, Last, etc.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option, Galls, Outs, etc.

FT LONDON SHARE INFORMATION SERVICE

WOLSELEY HUGHES logo and text: From Glasgow to Georgia we're growing from strength to strength

BRITISH FUNDS table with columns: High, Low, Stock, Price, Div, Yld, etc.

Five to Fifteen Years table with columns: High, Low, Stock, Price, Div, Yld, etc.

Over Fifteen Years table with columns: High, Low, Stock, Price, Div, Yld, etc.

Index-Linked table with columns: High, Low, Stock, Price, Div, Yld, etc.

INT. BANK AND OSEAS GOVT STERLING ISSUES table with columns: High, Low, Stock, Price, Div, Yld, etc.

CORPORATION LOANS table with columns: High, Low, Stock, Price, Div, Yld, etc.

COMMONWEALTH AND AFRICAN LOANS table with columns: High, Low, Stock, Price, Div, Yld, etc.

LOANS Building Societies table with columns: High, Low, Stock, Price, Div, Yld, etc.

Public Bond and Ind. table with columns: High, Low, Stock, Price, Div, Yld, etc.

Financial table with columns: High, Low, Stock, Price, Div, Yld, etc.

Foreign Bonds & Rails table with columns: High, Low, Stock, Price, Div, Yld, etc.

AMERICANS

AMERICANS table with columns: High, Low, Stock, Price, Div, Yld, etc.

CANADIANS

CANADIANS table with columns: High, Low, Stock, Price, Div, Yld, etc.

BANKS, H.P. AND LEASING

BANKS, H.P. AND LEASING table with columns: High, Low, Stock, Price, Div, Yld, etc.

COMMONWEALTH AND AFRICAN LOANS

COMMONWEALTH AND AFRICAN LOANS table with columns: High, Low, Stock, Price, Div, Yld, etc.

LOANS

LOANS table with columns: High, Low, Stock, Price, Div, Yld, etc.

Public Bond and Ind.

Public Bond and Ind. table with columns: High, Low, Stock, Price, Div, Yld, etc.

Financial

Financial table with columns: High, Low, Stock, Price, Div, Yld, etc.

Foreign Bonds & Rails

Foreign Bonds & Rails table with columns: High, Low, Stock, Price, Div, Yld, etc.

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY, TIMBER AND ROADS table with columns: High, Low, Stock, Price, Div, Yld, etc.

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS table with columns: High, Low, Stock, Price, Div, Yld, etc.

DRAPERY AND STORES

DRAPERY AND STORES table with columns: High, Low, Stock, Price, Div, Yld, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES AND SPIRITS table with columns: High, Low, Stock, Price, Div, Yld, etc.

DRAPERY & STORES—Cont.

DRAPERY & STORES—Cont. table with columns: High, Low, Stock, Price, Div, Yld, etc.

ELECTRICALS

ELECTRICALS table with columns: High, Low, Stock, Price, Div, Yld, etc.

ENGINEERING—Continued

ENGINEERING—Continued table with columns: High, Low, Stock, Price, Div, Yld, etc.

FOOD, GROCERIES, ETC

FOOD, GROCERIES, ETC table with columns: High, Low, Stock, Price, Div, Yld, etc.

ENGINEERING

ENGINEERING table with columns: High, Low, Stock, Price, Div, Yld, etc.

HOTELS—Continued

HOTELS—Continued table with columns: High, Low, Stock, Price, Div, Yld, etc.

INDUSTRIALS (Misc.)

INDUSTRIALS (Misc.) table with columns: High, Low, Stock, Price, Div, Yld, etc.

HOTELS AND CATERERS

HOTELS AND CATERERS table with columns: High, Low, Stock, Price, Div, Yld, etc.

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INDUSTRIALS—Continued

Table of industrial stock prices and financial data, including columns for stock name, price, and various financial metrics.

LEISURE—Continued

Table of leisure stock prices and financial data, including columns for stock name, price, and various financial metrics.

PROPERTY—Continued

Table of property stock prices and financial data, including columns for stock name, price, and various financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts stock prices and financial data, including columns for stock name, price, and various financial metrics.

OIL AND GAS—Continued

Table of oil and gas stock prices and financial data, including columns for stock name, price, and various financial metrics.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades stock prices and financial data.

Commercial Vehicles

Table of commercial vehicles stock prices and financial data.

SHIPPING

Table of shipping stock prices and financial data.

SHOES AND LEATHER

Table of shoes and leather stock prices and financial data.

PLANTATIONS

Table of plantations stock prices and financial data.

NEWSPAPERS, PUBLISHERS

Table of newspapers and publishers stock prices and financial data.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices and financial data.

TEXTILES

Table of textiles stock prices and financial data.

TOBACCO

Table of tobacco stock prices and financial data.

OVERSEAS TRADERS

Table of overseas traders stock prices and financial data.

INSURANCES

Table of insurance stock prices and financial data.

PROPERTY

Table of property stock prices and financial data.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices and financial data.

OIL AND GAS

Table of oil and gas stock prices and financial data.

MINES

Table of mines stock prices and financial data.

LEISURE

Table of leisure stock prices and financial data.

PROPERTY

Table of property stock prices and financial data.

INVESTMENT TRUSTS

Table of investment trusts stock prices and financial data.

OIL AND GAS

Table of oil and gas stock prices and financial data.

MINES

Table of mines stock prices and financial data.

NOMURA INTERNATIONAL LIMITED NEW-ERA INVESTMENT AND UNDERWRITING OFFICES WORLDWIDE

MINES—Continued

Table of mines stock prices and financial data, including sub-sections for Australians, Tins, and Miscellaneous.

NOTES

Unless otherwise indicated, prices and percentages are based on the latest available information.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks, including sub-sections for Far West and F.O.S.

OPTIONS

Table of options contracts and prices.

3-month call rates

Table of 3-month call rates.

Recent Issues and Rights Page 39

This service is available to every company that is on the Stock Exchange through the issue of a list of 5000 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Allied Unit Trusts Limited, and others, with columns for Name, Manager, and other details.

Table listing unit trusts under the heading 'FT UNIT TRUST INFORMATION SERVICE', including Crown Unit Trust Services Ltd., Gervat (Joint) Unit Mgmt. Ltd., and many others.

Table listing unit trusts under the heading 'Save & Prosper Group' and 'Temple Bar Unit Trust Mgmt. Ltd.', including various investment funds and their managers.

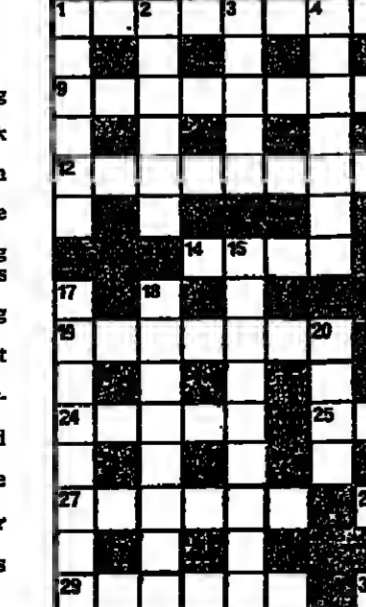
Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd. and others.

Table listing insurance companies and their services, including G.A. Insurance Co. Ltd. and others.

Table listing insurance companies and their services, including G.A. Investments (Bermonds) Ltd. and others.

F.T. CROSSWORD PUZZLE No. 5,395

- ACROSS
- Inclination of writer to sing (5)
  - "The Mosaic Path" (Book Two) (8)
  - State of vehicle needing an oil-change (8)
  - Knowing one inside, like baker at work (8)
  - S. Coe on time, almost, going round - he understands resources (9)
  - Old wars in Cup breaking out (5)
  - Formerly, a royal speedboat destination (4)
  - Polish work-place in Derbyshire (7)
  - Mild Labour-leader in bond of union (7)
  - Mid-off on field in offensive jumper (4)
  - Encourages some of our gestures (6)
  - In a way, you spend millions for a fictitious title (9)
  - Fan sticking (8)
  - Refuse to have young (6)
  - Yarn-beaver led off after victory (8)
  - Formerly a royal speedboat destination (4)
  - Polish work-place in Derbyshire (7)
  - Mild Labour-leader in bond of union (7)
  - Mid-off on field in offensive jumper (4)
  - Encourages some of our gestures (6)
  - In a way, you spend millions for a fictitious title (9)
  - Fan sticking (8)
  - Refuse to have young (6)
  - Yarn-beaver led off after victory (8)
- DOWN
- Smiling kit-bag filler? (6)
  - Limited quarrel at noon (6)
  - Shortly he will ring a greeting (5)
  - African palm-civet found in west, north and east (7)
  - Oxy-phenol compound used by wood-tappers (9)
  - Such obduracy sounds - er corrected (8)
  - My hits could be mighty in (6)



11 This sort of party, going to nation, will get us nowhere (4)

15 Which lever induces pre-patellar bursters in reed-organists? (4,5)

17 Boys must be prepared to observe it (5,3)

18 Enhance boat-crew in Orpington, perhaps (8)

20 Baked beans need this lid for protection (4)

21 e.g. third man red file revealed (7)

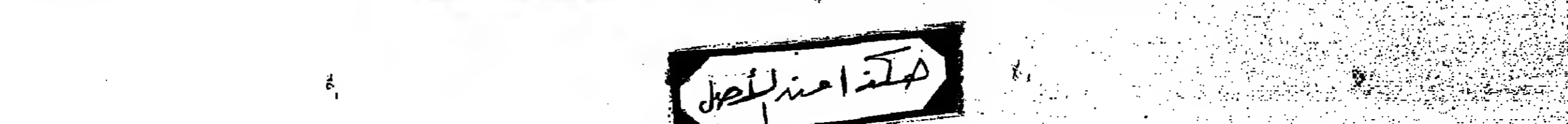
22 Sound evidence of a tissue having been thrown out (6)

23 My hits could be mighty in it (6)

Table listing various financial services and companies, including Kinross and others.

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Table listing various financial services and companies, including Kinross and others.



INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including Barclays Life Ass. Co., British National Life Assurance Co. Ltd., and others, with columns for fund names and values.

Table listing insurance and managed funds, including Standard Life Assurance Company, Sun Alliance Insurance Group, and others, with columns for fund names and values.

Table listing insurance and managed funds, including Bank of America International S.A., British Overseas Airways Corporation, and others, with columns for fund names and values.

Table listing insurance and managed funds, including Royal Bank of Canada Funds, Sun Life of Canada (UK) Ltd., and others, with columns for fund names and values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including Guinness Mahon Int. Fund, and others, with columns for fund names and values.

NOTES
Prices are in pence unless otherwise indicated and those designated S with no prefix refer to US dollars. Values in brackets indicate value in US dollars. A different value is shown in brackets if the fund is denominated in US dollars. The fund's opening price is shown in brackets if it is denominated in US dollars. The fund's opening price is shown in brackets if it is denominated in US dollars.

# COMMODITIES AND AGRICULTURE

## Copper stocks fall surprises traders

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL TRADERS were surprised yesterday by a much bigger fall in copper stocks held in the London Metal Exchange warehouses last week. Prices fell for the first time since August and were wiped out in late trading.

A depressing influence was the announcement by Kennecott, the U.S. producer, that it was cutting its domestic selling price by 2 cents to 74 cents a pound.

The fall of 27,175 tonnes in copper stocks reduced total holdings to 283,125 tonnes, the lowest level since August and nearly 150,000 below the five-year peak of 433,975 tonnes in mid-January.

The rapid decline in LME warehouse stocks in the past three months is attributed to improved demand, especially

for good-quality brands, and sustained buying by Japan, China and other Communist bloc countries.

Lead prices failed to respond to another hefty fall in warehouse stocks, which declined by 6,075 to 119,700 tonnes. Cash lead closed \$3.5 lower at \$330 a tonne, following further speculative profit-taking. Cash zinc also closed \$5.5 down in spite of stocks falling by 2,175 to 47,473 tonnes.

A cut of 500 tonnes only in aluminium stocks, reducing total holdings to 182,925 was considered disappointing and the market came under renewed pressure with cash aluminium closing \$17 down at \$935.5 a tonne.

Tin stocks declined by 135 to 29,830 tonnes and LME silver holdings by 90,000 to 51,268,000 ounces. Nickel stocks, however, rose by 120 to 30,042 tonnes.

## Zambia sets up metals and minerals trading arm

BY OUR COMMODITIES EDITOR

ZAMBIA HAS set up a metals and minerals trading arm. It will have its own, separate bank, able to trade independently in London. This is still being constituted but will include senior personnel from Memaco and ZCCM, including Mr L. C. Mutakasa, marketing director of Memaco, chairman of the Copper Council and chief executive of ZCCM.

In deciding to form its own trading company Zambia is following the example of other Third World copper producers who are fellow-members of the Council of Copper Exporting Countries (COCOP).

The basic idea is to help the exporting country benefit from trading profits while being able to operate in a more flexible manner, and to have greater influence in the markets.

## Rehabilitating Ghana's cocoa industry

### Peter Blackburn explains why, despite efforts, this year's crop may fall short

COCOA SMUGGLING by Ghanaian farmers across the border into the Ivory Coast and Togo has greatly declined since last October's 90 per cent devaluation of the Cedi. Dr Kwesi Botchwey, Ghana's Finance Minister, says.

It is estimated that nearly 20 per cent of the cocoa crop was formerly smuggled out for payment in convertible CFA francs. Another attraction is the greater availability of consumer items in the Ivory Coast and Togo.

The flow of smuggled cocoa has been greatly reduced already, however, by the closure of Ghana's land borders, mainly for internal security reasons, in September 1983.

"Cocoa is still being carried across the border but by the hoodlums rather than by the porters," observers in Accra said.

"The main reason for smuggling is the shortage of commodities rather than low producer prices," Dr Botchwey says. "Producer prices were raised 85 per cent to C290,000 a tonne from C120,000 a tonne last year."

cent devaluation announced in the 1984 budget on March 27.

In spite of last year's large cocoa produce, prices remain unattractive compared with those for food crops: 200 kg of maize sells for as much as a tonne of cocoa.

Apart from making smuggling less attractive, devaluation has dramatically improved the balance-of-exports of the Ghana Cocoa Marketing Board.

With cocoa hard-currency export earnings now yielding more than 12 times as many cedis as the C20m \$2m loss has been turned into a substantial profit.

According to budget projections cocoa export earnings will amount to \$363.7m this year, an increase of 36 per cent on last year. This is due to higher prices outweighing lower tonnage.

Purchases for the 1983-84 main crop are expected to total about 150,000 tonnes, according to industry estimates. The mid-crop is expected to yield another 5,000 tonnes.

This is considerably higher than initial forecasts of 125,000 tonnes only, influenced by reports of severe drought, damage by last year's bush-fires and transport problems.

The 1983-84 cocoa crop, however, is still expected to be 11 per cent down on the previous year.

Shortages of fuel and roadworthy vehicles have hindered the evacuation of cocoa but the season is also several weeks late because of drought, industry sources say.

Since the cocoa output has declined spectacularly from the peak 557,000 tonnes in 1964-65 when the country accounted for more than a third of world production, that share has now dropped to less than 12 per cent because of years of neglect and unattractive producer prices.

Major efforts are being made to rehabilitate the cocoa industry. It is still the country's main export-earner with 57 per cent of the projected \$441m export earnings this year.

The world bank is lending nearly \$24m for cocoa replanting, insect spraying, storage and transport improvement. About 150,000 hectares of the 300,000 hectares damaged by bush-fires last year are due to be replanted, according to Harry Dodoo, the board's executive chief.

The Stabex scheme of the European Economic Community has provided \$51m to compensate for losses in Ghanaian cocoa export earnings in 1981 and 1982. About 80 per cent of this aid is being used to provide essential inputs for the board and the rest for indirect support.

The African Development Fund recently approved a \$30m loan to rehabilitate transport and agriculture. Much of the aid will be used to buy spare parts, tyres and batteries for the fleet of lorries used to evacuate cocoa to the coast.

Efforts are also being made to restructure the cocoa industry and reorganise some of the board's workforce.

Alternative and produc-

tive employment, however, is difficult, especially as drought-induced power-cuts have reduced manufacturing activity to about 10 per cent of capacity.

Some observers believe the cocoa industry to be beyond repair. They say Ghanaian cocoa farms are mostly smallholdings of less than 10 hectares, managed by an ageing peasantry who have migrated to the cities or emigrated.

These sayings on the land have switched to food crops. There are more temperate and give a much faster rate of return. Maize can be harvested within a year of planting whereas cocoa trees take at least five years to mature.

Since immigrant labour was banned several years ago plantations in adopting a joint source and expensive. This has hindered development of larger industrial plantations.

Efforts are also being made to co-operate with other cocoa producers in adopting a joint stance in negotiations for a new International Cocoa Agreement, due to open in Geneva on May 7.

Mr Denis Bra Kanon, the Ivory Coast's Agriculture Minister, visited Ghana last month to discuss tactics.

## Jamaica to close three sugar-mills

By Carmel James in Kingston

THE JAMAICAN Government is closing three of six sugar-mills it owns when this harvest ends. The state-owned National Sugar Co. said closures resulted from continuing losses by the mills. The plant has accumulated losses of \$22m (£17m), the company reported.

The closures will leave 1,700 without jobs. Jamaica's sugar industry is carrying accumulated losses of \$140m. Industry sources in Kingston say the decision suggested the Government had failed to sell or lease the mills to private operators.

The closures will make unlikely any significant improvement in Jamaica's sugar production. This has fallen in the past 15 years from 450,000 tonnes a year to just under 200,000 tonnes last year.

COFFEES being harvested in Brazil is forecast at 25.7m bags (60 kilos each) in West German trader Bernhard Rothfuss's market report. The figure is significantly less than the 35m bags of 60kg each harvested by St Octavio Rainha, president of the Brazilian Coffee Institute, and of 30m bags by the U.S. Department of Agriculture. On the London futures market, July delivery coffee closed at \$2.50-25.50 up at \$2.695 a tonne.

TEA prices were boosted by good demand at yesterday's weekly London auction. Quality grade advanced 8p to 290p a kilo. Medium grade was up 2p at 250p. Low medium grade advanced 4p to 240p.

COFFEES from Pakistan's 1983-84 season crop was estimated at 2.5m bags, down from a 5.2m bag target and 1982-83 production of 4.8m bags, according to the country's Agriculture Minister.

MAIZE importers in Taiwan have set an import target of 2.5m tonnes this year, down from the record 3.52m last year, their joint committee said, due to a switch to domestic suppliers.

## Bank of America says prices likely to rise by 4%

WORLD COMMODITY prices are expected to rise by an annual average of 4 per cent in 1984-85, following an 8 per cent increase last year, says the Bank of America.

In its quarterly report on commodity prices it says that this year industrial commodity prices will rise by an average of 7 per cent. Overall commodity prices will rise by 1 per cent only. A 2 per cent decline in agricultural commodity prices, however, means more rapid commodity price growth is expected for next year.

Mr Sheldon Engler, an economist with the bank's commodity analysis section, said: "After a lull in the second

half of last year industrial commodity prices have started moving upward again. Prices should continue to strengthen as the world economic recovery leads to increased demand for industrial raw materials."

He says copper prices will rise 80 cents a pound this year as demand improves and inventories are depleted. Overcapacity will continue to plague the world copper industry.

Aluminium demand will remain strong but price increases will be slowed by quickly-expanding production and capacity. Prices are forecast to average 75 cents a pound this year.

Wood pulp list-prices will be

raised as paper demand continues to rise because of labour problems at British Columbia pulp and paper-mills have provided additional support for price rises.

Higher oil prices will respond positively to the strength of U.S. housing starts but the rate of increase will decelerate as higher interest rates begin to reduce the pace of residential construction this year.

World wheat demand will rise slowly in 1984-85, resulting in little change from present levels for oil, gas and coal prices.

Higher prices for agricultural commodities last year stimulated increased plantings this year.

The report says the resulting abundant supplies will depress next year's prices. Agricultural commodity prices for next year are forecast to move upward again.

**Britons reduce meat eating**

ONE IN THREE Britons have reduced their consumption of meat and there is a definite shift towards a vegetarian diet, it was claimed in a Gallup survey conducted for Realest, a health food company.

The conscious avoidance of meat has increased by about 60 per cent in the last year,

## Platinum coin sales rise

By Our Commodities Editor

SALES OF the platinum Noble coin, launched last November, have topped \$4,000, worth about \$1.3m (£1m), since April 15.

Agricultural commodity prices for next year are forecast to move upward again.

The market strengthened in early trading during the morning but fell in the afternoon as London quotations quickly fell back.

**WOOL FUTURES**

LONDON NEW ZEALAND CROSS-BREEDS - Close (in order buyer, seller, intermediate) Apr 15, 1984: \$3.15-\$3.18; Apr 16, 1984: \$3.15-\$3.18; Apr 17, 1984: \$3.15-\$3.18.

SWEDEN GRAY WOOL - Close in order buyer, seller, intermediate: Apr 15, 1984: \$3.15-\$3.18; Apr 16, 1984: \$3.15-\$3.18; Apr 17, 1984: \$3.15-\$3.18.

Daily price 6.07-15 day average 8.25.

LONDON DAILY PRICES - Raw sugar Apr 15, 1984: \$11.50-\$11.55; Apr 16, 1984: \$11.50-\$11.55; Apr 17, 1984: \$11.50-\$11.55.

APRIL 15, 1984 - MARKET SUMMARY

Market summary for the morning and afternoon trading in the London commodities markets. The market was generally quiet, with prices for most commodities showing a slight upward trend.

## PRICE CHANGES

In terms unless stated otherwise	Apr. 16	15 days ago	1 month ago
<b>Metals</b>			
Free Mkt	\$1110	+1100	\$1050
Cash	\$1110	+1100	\$1050
Copper	\$1.08	+0.02	\$1.06
3 mths	\$1.08	+0.02	\$1.06
6 mths	\$1.08	+0.02	\$1.06
12 mths	\$1.08	+0.02	\$1.06
Gold Troy oz.	\$350	+0.50	\$349.50
Lead Cash	\$230	-0.20	\$229.80
3 mths	\$230	-0.20	\$229.80
6 mths	\$230	-0.20	\$229.80
12 mths	\$230	-0.20	\$229.80
Nickel	\$2.15	+0.05	\$2.10
3 mths	\$2.15	+0.05	\$2.10
6 mths	\$2.15	+0.05	\$2.10
12 mths	\$2.15	+0.05	\$2.10
Free Mkt	\$1.07	+0.02	\$1.05
3 mths	\$1.07	+0.02	\$1.05
6 mths	\$1.07	+0.02	\$1.05
12 mths	\$1.07	+0.02	\$1.05
30 days	\$1.07	+0.02	\$1.05
60 days	\$1.07	+0.02	\$1.05
90 days	\$1.07	+0.02	\$1.05
120 days	\$1.07	+0.02	\$1.05
150 days	\$1.07	+0.02	\$1.05
180 days	\$1.07	+0.02	\$1.05
210 days	\$1.07	+0.02	\$1.05
240 days	\$1.07	+0.02	\$1.05
270 days	\$1.07	+0.02	\$1.05
300 days	\$1.07	+0.02	\$1.05
330 days	\$1.07	+0.02	\$1.05
360 days	\$1.07	+0.02	\$1.05
390 days	\$1.07	+0.02	\$1.05
420 days	\$1.07	+0.02	\$1.05
450 days	\$1.07	+0.02	\$1.05
480 days	\$1.07	+0.02	\$1.05
510 days	\$1.07	+0.02	\$1.05
540 days	\$1.07	+0.02	\$1.05
570 days	\$1.07	+0.02	\$1.05
600 days	\$1.07	+0.02	\$1.05
630 days	\$1.07	+0.02	\$1.05
660 days	\$1.07	+0.02	\$1.05
690 days	\$1.07	+0.02	\$1.05
720 days	\$1.07	+0.02	\$1.05
750 days	\$1.07	+0.02	\$1.05
780 days	\$1.07	+0.02	\$1.05
810 days	\$1.07	+0.02	\$1.05
840 days	\$1.07	+0.02	\$1.05
870 days	\$1.07	+0.02	\$1.05
900 days	\$1.07	+0.02	\$1.05
930 days	\$1.07	+0.02	\$1.05
960 days	\$1.07	+0.02	\$1.05
990 days	\$1.07	+0.02	\$1.05
1020 days	\$1.07	+0.02	\$1.05
1050 days	\$1.07	+0.02	\$1.05
1080 days	\$1.07	+0.02	\$1.05
1110 days	\$1.07	+0.02	\$1.05
1140 days	\$1.07	+0.02	\$1.05
1170 days	\$1.07	+0.02	\$1.05
1200 days	\$1.07	+0.02	\$1.05
1230 days	\$1.07	+0.02	\$1.05
1260 days	\$1.07	+0.02	\$1.05
1290 days	\$1.07	+0.02	\$1.05
1320 days	\$1.07	+0.02	\$1.05
1350 days	\$1.07	+0.02	\$1.05
1380 days	\$1.07	+0.02	\$1.05
1410 days	\$1.07	+0.02	\$1.05
1440 days	\$1.07	+0.02	\$1.05
1470 days	\$1.07	+0.02	\$1.05
1500 days	\$1.07	+0.02	\$1.05
1530 days	\$1.07	+0.02	\$1.05
1560 days	\$1.07	+0.02	\$1.05
1590 days	\$1.07	+0.02	\$1.05
1620 days	\$1.07	+0.02	\$1.05
1650 days	\$1.07	+0.02	\$1.05
1680 days	\$1.07	+0.02	\$1.05
1710 days	\$1.07	+0.02	\$1.05
1740 days	\$1.07	+0.02	\$1.05
1770 days	\$1.07	+0.02	\$1.05
1800 days	\$1.07	+0.02	\$1.05
1830 days	\$1.07	+0.02	\$1.05
1860 days	\$1.07	+0.02	\$1.05
1890 days	\$1.07	+0.02	\$1.05
1920 days	\$1.07	+0.02	\$1.05
1950 days	\$1.07	+0.02	\$1.05
1980 days	\$1.07	+0.02	\$1.05
2010 days	\$1.07	+0.02	\$1.05
2040 days	\$1.07	+0.02	\$1.05
2070 days	\$1.07	+0.02	\$1.05
2100 days	\$1.07	+0.02	\$1.05
2130 days	\$1.07	+0.02	\$1.05
2160 days	\$1.07	+0.02	\$1.05
2190 days	\$1.07	+0.02	\$1.05
2220 days	\$1.07	+0.02	\$1.05
2250 days	\$1.07	+0.02	\$1.05
2280 days	\$1.07	+0.02	\$1.05
2310 days	\$1.07	+0.02	\$1.05
2340 days	\$1.07	+0.02	\$1.05
2370 days	\$1.07	+0.02	\$1.05
2400 days	\$1.07	+0.02	\$1.05
2430 days	\$1.07	+0.02	\$1.05
2460 days	\$1.07	+0.02	\$1.05
2490 days	\$1.07	+0.02	\$1.05
2520 days	\$1.07	+0.02	\$1.05
2550 days	\$1.07	+0.02	\$1.05
2580 days	\$1.07	+0.02	\$1.05
2610 days	\$1.07	+0.02	\$1.05
2640 days	\$1.07	+0.02	\$1.05
2670 days	\$1.07	+0.02	\$1.05
2700 days	\$1.07	+0.02	\$1.05
2730 days	\$1.07	+0.02	\$1.05
2760 days	\$1.07	+0.02	\$1.05
2790 days	\$1.07	+0.02	\$1.05
2820 days	\$1.07	+0.02	\$1.05
2850 days	\$1.07	+0.02	\$1.05
2880 days	\$1.07	+0.02	\$1.05
2910 days	\$1.07	+0.02	\$1.05
2940 days	\$1.07	+0.02	\$1.05
2970 days	\$1.07	+0.02	\$1.05
3000 days	\$1.07	+0.02	\$1.05
3030 days	\$1.07	+0.02	\$1.05
3060 days	\$1.07	+0.02	\$1.05
3090 days	\$1.07	+0.02	\$1.05
3120 days	\$1.07	+0.02	\$1.05
3150 days	\$1.07	+0.02	\$1.05
3180 days	\$1.07	+0.02	\$1.05
3210 days	\$1.07	+0.02	\$1.05
3240 days	\$1.07	+0.02	\$1.05
3270 days	\$1.07	+0.02	\$1.05
3300 days	\$1.07	+0.02	\$1.05
3330 days	\$1.07	+0.02	\$1.05
3360 days	\$1.07	+0.02	\$1.05
3390 days	\$1.07	+0.02	\$1.05
3420 days	\$1.07	+0.02	\$1.05
3450 days	\$1.07	+0.02	\$1.05
3480 days	\$1.07	+0.02	\$1.05
3510 days	\$1.07	+0.02	\$1.05
3540 days	\$1.07	+0.02	\$1.05
3570 days	\$1.07	+0.02	\$1.05
3600 days	\$1.07	+0.02	\$1.05
3630 days	\$1.07	+0.02	\$1.05
3660 days	\$1.07	+0.02	\$1.05
3690 days	\$1.07	+0.02	\$1.05
3720 days	\$1.07	+0.02	\$1.05
3750 days	\$1.07	+0.02	\$1.05
3780 days	\$1.07	+0.02	\$1.05
3810 days	\$1.07	+0.02	\$1.05
3840 days	\$1.07	+0.02	\$1.05
3870 days	\$1.07	+0.02	\$1.05
3900 days	\$1.07	+0.02	\$1.05
3930 days	\$1.07	+0.02	\$1.05
3960 days	\$1.07	+0.02	\$1.05
3990 days	\$1.07	+0.02	\$1.05
4020 days	\$1.07	+0.02	\$1.05
4050 days	\$1.07	+0.02	\$1.05
4080 days	\$1.07	+0.02	\$1.05
4110 days	\$1.07	+0.02	\$1.05
4140 days	\$1.07	+0.02	\$1.05
4170 days	\$1.07	+0.02	\$1.05
4200 days	\$1.07	+0.02	\$1.05
4230 days	\$1.07	+0.02	\$1.05
4260 days	\$1.07	+0.02	\$1.05
4290 days	\$1.07	+0.02	\$1.05
4320 days	\$1.07	+0.02	\$1.05
4350 days	\$1.07	+0.02	\$1.05
4380 days	\$1.07	+0.02	\$1.05
4410 days	\$1.07	+0.02	\$1.05
4440 days	\$1.07	+	

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm in quiet trading

The dollar was firmer in quiet foreign exchange trading, continuing Friday's trend in New York on Friday, when short covering followed a large buying order for dollars from a major U.S. oil company.

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EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries including Belgium, Denmark, Germany, France, Italy, and the Netherlands.

THE POUND SPOT AND FORWARD

Table showing the Pound Spot and Forward rates for various currencies and time periods.

THE DOLLAR SPOT AND FORWARD

Table showing the Dollar Spot and Forward rates for various currencies and time periods.

OTHER CURRENCIES

Table showing rates for other currencies such as Argentine peso, Australian dollar, and Canadian dollar.

CURRENCY MOVEMENTS

Table showing currency movements and changes for various currencies.

FINANCIAL FUTURES

Quiet trading

Trading was quiet in the London International Financial Futures Exchange yesterday.

Trading was quiet in the London International Financial Futures Exchange yesterday.

LONDON

Table showing London market data including three-month Eurodollar and sterling deposit rates.

CHICAGO

Table showing Chicago market data including U.S. Treasury bonds and futures.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and maturities.

MONEY MARKETS

Firmer tone in London

Interest rates had a slightly firmer tone on the London money market yesterday, but movements were relatively small.

Interest rates had a slightly firmer tone on the London money market yesterday, but movements were relatively small.

MONEY RATES

Table showing money rates for various currencies and maturities.

LONDON MONEY RATES

Table showing London money rates for various currencies and maturities.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various currencies.

MONEY RATES

Table showing money rates for various currencies and maturities.

Advertisement for Promotional Gifts featuring items like key rings, cuff links, and paperweights.

Advertisement for GNI Monthly Briefings, offering a combination of expertise in both the cash and the futures markets.

WORLD VALUE OF THE POUND

This table gives the latest available rate of exchange for the pound against various currencies.

Large table showing the world value of the pound against various currencies and their respective exchange rates.

This announcement appears as a matter of record only.



U.S. \$50,000,000

Lac Minerals Ltd.

(Incorporated under the laws of the Province of Ontario, Canada)

Units each consisting of one \$1,000 8% Debenture due April 15, 1989 and four Gold Purchase Warrants

Unit Price \$1,000 adjusted for interest

Wood Gundy Limited

- The Commercial Bank of Hong Kong Limited, Goldman Sachs International Corp., Midland Doherty Limited, Morgan Stanley International, Société Générale, Enskilda Securities, Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.), Morgan Grenfell & Co. Limited, Orion Royal Bank Limited, Swiss Bank Corporation International Limited, S. G. Warburg & Co. Ltd.

Table listing various banks and financial institutions such as Alahli Bank of Kuwait, BankAmerica Investment Banking Group, etc.

INTERNATIONAL CAPITAL MARKETS

Air Canada launches £40m Eurobond

By Peter Montagnon in London

AIR CANADA, the airline that "makes flights so good you won't want to get off," brought a £40m issue to the Eurobond market yesterday but investors were slow to pile aboard.

Led by S.G. Warburg with Country Bank and Wood Gundy, its 10-year bonds bear interest at 11 1/4 per cent and an issue price of par, but these terms were regarded as tight for a very weak market and by late afternoon the paper had slipped to a discount close to its total loss of 2 1/2 per cent.

Members said that although the name was very popular with bond investors, international capital markets were yesterday reeling under the weight of price falls in the New York bond market. There was simply not much buying interest in any sector of the marketplace, although actual trading was thin.

A similar fate befell a \$50m, 10-year floating rate note launched yesterday by Göteborg, the fourth largest Swedish bank. Led by Samuel Montagu and BankAmerica International, the paper bears interest at 1 1/2 per cent over the six-month offer rate for Eurodollars in London. But it fell to a discount of about 70 basis points, which was equivalent to its entire loss, despite the rarity value attached to Swedish bank paper in this market.

No new issues of fixed rate dollar bonds were launched yesterday and prices slipped by around 1/2 points in the secondary market.

Elsewhere, Denmark is raising Dkr 100m through a seven-year, 8 1/2 per cent Euronote issue priced at 98 and led by Amro, while the Mortgage Bank of Denmark has launched a Y15bn, 10-year, 7 1/2 per cent Samral bond at a price of 98 1/2 through Daiwa Securities.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 16.

Large table of international bond issues with columns for Country, Issue, Maturity, Price, Yield, etc. Includes sections for U.S. Dollar, Deutsche Mark, Swiss Franc, and Yen.

1982/83 A good year for Degussa

All 3 sectors show gains. Degussa is a leading German and international metals, chemicals and pharmaceuticals company. Thanks to their broad range of products and worldwide presence, all three sectors were able to take advantage of more favourable business conditions which have progressively improved since the second quarter of fiscal 1982/83.

Consolidated Balance Sheet as at 30th September 1983

Table showing Assets (Property, plant and equipment, intangibles, etc.) and Liabilities (Capital stock, Disclosed reserves, etc.) in DM million.

From the Consolidated Income Statement

Table showing income statement items: Sales (11,097), Cost of material and supplies (8,726), Wages, salaries, benefits (1,246), Depreciation (286), Taxes on income and property (162), Net income (90).

Degussa Activities in Brief: Metals, Chemicals, Industrial and Fine Chemicals, etc.

For a copy of our 1982/83 Annual Review in English, please write to: Degussa AG, Abt. Öffentlichkeitsarbeit, P.O. Box 11 05 33, D-6000 Frankfurt 11



OVER-THE-COUNTER

Nasdaq national market 3pm prices

Table of over-the-counter stock prices including US stocks like IBM, Microsoft, and international stocks like Air Canada.

Pritchard Services Group PLC

has acquired a minority interest in Ambicare, Inc.

The undersigned acted as financial advisor to Pritchard Services Group PLC and assisted in the negotiations. Morgan Grenfell Incorporated New York

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